



THE HANDICAP OF BRITISH TRADE WITH  
SPECIAL REGARD TO EAST AFRICA

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# THE HANDICAP OF BRITISH TRADE

WITH SPECIAL REGARD TO EAST  
AFRICA

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WITH A FOREWORD BY  
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## PREFACE

THE origin of this book arose from the impression I had that while the commercial world is alive to the disturbing elements acting on our trade, caused by the war, none of us have a clear general opinion of what really is wanted. Exceptional difficulties must be overcome, we have particular drawbacks affecting East Africa, and until they are exposed to view and studied, we cannot hope to remedy them.

I hesitatingly approached the Secretary of the London Chamber of Commerce, and put my views before him, pointing out that we had committees, section meetings, expert's opinions, and, in fact, numbers of over inflated windbags, mostly with a vague idea that the Government ought to do something, while we had nothing definite to suggest.

I and my views were most kindly received, and I acted on the suggestion to see what I could write down as a British East African exporter.

I feel the Government is willing to do all that is reasonably possible, but cannot be expected to act on perhaps 500 suggestions or minutes, all more or less differing.

On the one hand we have the commercial man who wants Government help, probably an expert in his particular line, usually with an education cut short at 17 years of age, often less, who thoroughly knows his own trade. On the other hand we have the high

Government official, a man generally with a better education, a scholar, and often a man of erudition, but knowing little of business requirements, who, if he knows how, wishes to help him

If generality is wanted, of all business men the exporter, the veritable Jack-of-all-trades, master of none, and on bowing acquaintance with all, should be able to act as the middleman. With his general opinions exposed, others can amplify and specialize according to their wants.

Apparently, and to many of us obviously, each trade should help itself and put down plainly what is wanted, and probably the end would be gained without bothering H B M Government at a time when the officials have plenty to do. On the other hand, there must be several matters the Government might help us in.

We can hardly expect Government to ferret out and legislate for an abuse.

If sections of the commercial community agree as to their needs, they should be brought forward, through their "Chamber" or recognized governing centre.

To strengthen themselves, and assist the individual officials who would have to advise or decide on any matter, they should formulate something to help them to master the situation. A treatise, expert's opinions, newspaper articles, would no doubt be read and absorbed, but a book would be more convenient.

A case cannot be properly judged without something definite, but by giving, as a side issue, actual facts, figures, and names, it can be thought out.

Government seems to be blamed for everything. This is not reasonable. The commercial element should point out the requirements when experience has shown them.

We do not take parts of Africa merely as playgrounds

for sportsmen, tourists, etc., but as assets, and the business man should point out necessities as they arise, towards helping the Government to legislate for them

As instances —A casual observer finds that at the outbreak of war British East Africa was without any wireless station, while German Africa on one side had three, and was in direct communication with Berlin, on the north, Italian Africa, poor as it is, is credited with the third most powerful installation in the world. We were almost isolated.

British East Africa had no dry dock, not a pontoon or gridiron even, we had to send our ships to German territory.

The main harbour, Kilindini, notwithstanding its natural advantages, was quite unable to cope with the normal business.

Had our merchants pointed these out, it is likely Government would have responded.

I believe Government is ready to listen and merchants are willing to petition, and show the "Why" and "Wherefore," and all I have put forward is only with the object of giving officials and traders something to work with and see how matters appear to others, and I wish it to be understood I do this with no carping or vindictive feeling.

Failing others I submit my little say

• W H H

*January 24th, 1916*

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## FOREWORD

THIS is a book written by a practical business man, primarily for business men, but it is also more than that. It should educate both students and their teachers on practical issues. Many books about business are produced by authors who have no personal first-hand knowledge of their subject. Their material and its treatment may be excellent in an academic sense, but it is refreshing to come across a work by an author whose main business is that of a merchant and exporter—a class which usually keeps its knowledge to itself. It is seldom that the actual language of business men finds itself in print.

There never was a time when practical business experience was more valuable in considering the problems of a future in which many accepted economic doctrines will be consigned to the scrap heap of obsolete ideas, because they will not bear the test of application to changed commercial conditions.

Production, distribution and exchange will proceed on new lines along some old channels as well as new ones, and the methods of the past must be recast. In particular, the export trade of the country, from which home industry must derive its sustenance to a larger extent than ever before, must be cultivated on common-sense lines—with all deference to theories, official or academic, about the so-called better application of scientific methods to business. After all,

it is a question of bringing buyer and seller together on terms which will best conduce to mutual arrangements and profits. Exporting and merchandising is a business in itself, and is under little obligation to Government departments for encouragement or support. In speeches and articles about trade after the war, it is the manufacturer and not the merchant whose claims for consideration are usually advocated in high quarters. I shall be surprised if the readers of this book are not the wiser for the information and opinions it contains, and greatly disappointed if they do not realize that the distribution of commodities requires totally distinct qualities from those necessary in their production. Both cannot always rest in the same hands with full advantage.

However, I must not review this book in advance of its publication, but having read the proof sheets, I can commend its perusal to the reader for his pleasure and profit. During the present world-crisis it has been common ground for agreement that we must maintain our export trade, and yet it has happened, for good and sufficient reasons, no doubt, that Parliament has passed emergency legislation which, as administered by Government departments, is often calculated to prevent it. Owing to the war, the difficulties of the exporting merchant have been greatly accentuated, while the manufacturer has in many cases had the advantage of ministering to the requirements of the country and its allies in the making of munitions and supplies for their forces. When this phase of industry is over the exporter may come to his own again, and having regard to the local peculiarities of distant markets, which can rarely be mastered even in a lifetime, his expert services will be as necessary to most manufacturers as ever they were.

East Africa and its trade is the main theme of the author of the present work, but much of what he says applies with equal force to other remote countries. The theory that merchants and agents are mere parasites in the commercial system, and are destined to early extinction, does not square with the practical knowledge I have gained during over a quarter of a century in the service of the premier Chamber of Commerce of the world. There are, of course, cases where large manufacturers have established branch factories in countries in which there is a large demand for their specialities, but speaking generally, it has been found that the merchant or agent is an auxiliary labourer in the business field who is worthy of his hire, working hand in hand with the shipowner and the freighter. In my opinion, whatever else may happen, the exporter as such cannot be dispensed with. He deserves to live and to play his part in controlling the combined forces of commercial development by which the arts of peace have in the past contributed to the advancement of progress and civilization.

CHARLES E. MUSGRAVE

London Chamber of Commerce

*January, 1916*





# The Handicap of British Trade

## CHAPTER I

### THE EXPORTER

THE functions of an exporter not being always understood, I use the word as applying to the merchant or agent who purchases for shipment abroad, the merchant being he who buys on his own initiative, risk, and expense, and the agent, he who purchases on instructions and at the risk and expense of his indentor or foreign purchaser.

Both are of service to the country in maintaining our export trade, but which is the more valuable asset as a citizen I do not pretend to know, nor does it very much matter, as long as we keep our exports going and our money circulating

Whether an individual exporter turns over a million a year or only a few hundreds, is also immaterial to us in a general way, but for the purpose of this book I keep in my mind's eye the exporter shipping goods to the value of about £2,000 a week in normal times

The exporter appears to be of value to his country to his Government, as a source of revenue, whether he handles British or foreign goods, to the manufacturers, as, at the exporter's risk and expense, their goods are circulated and often introduced and exploited

Even in war time, the most adverse to the exporter, the country reaps its revenue, the manufacturer his money

Out of his turnover the British Government gets (taken from actual figures) from—

Bill of exchange stamps and letter postage.	
stamps	£98
Bill of lading (British only) stamps	40
Insurance stamps	11
Cheque stamps for each payment on, say,	
2,400 statements	10
Receipt stamps paid by suppliers	10
	<hr/>
	£169

I omit parcel post stamps, as some service is rendered for value received, but the post office is not materially affected if one or more drop out or continue. All revenue collected by stamps only, and without expensive supervision, I class as profit to the country. Even if in war time the exporter pays no income tax, having made no profit, he has done his "little bit" for the country.

The exporter's business is to take over the suppliers' goods, pay for them, and finance his consignee, with or without the assistance of the bank. Ordinarily this seems quite as it should be, anyhow so it is, and so it has been for generations.

But the exporter's position, if trading with an alien country and war is suddenly declared, is absolutely ruined if English law is rigidly acted on.

The exporter obviously has on his hands goods delivered for which he cannot receive payment until after the war, goods in transit, and goods ordered unshipped.

Supposing, for instance, that he is exporting to German East Africa, and assuming he is doing business according to the custom of the country and recovers his money on retired ninety days D/A drafts, then when war was declared, on August 4th, 1914, drafts (alias

cash)\*for shipments made in March, 1914, are partly through, and the outlay has been repaid in London. But for all drafts after March, 1914, he cannot expect one penny piece during the war that is, for about eighteen weeks' shipments for which he has paid he can hope for nothing. Out of those shipments, moreover, all goods in ships interned, or commandeered with their cargoes by the enemy, he must look upon as lost, temporarily, partially, or totally.

His source of revenue is thus cut off as promptly as one shuts the blade of a penknife.

War did not stop the loading of all August steamers in the United Kingdom. many goods were actually shipped, many more were alongside or in the docks for shipment, or ready on hand.

To realize the exporter's position as regards his creditors, who naturally are numerous and pressing, we must consider what actually happened to exporters.

One or two committed suicide.

Some filed their petitions in bankruptcy.

Many took the opportunity of serving their country under the War Office or Admiralty, receiving their country's pay (and often enough leaving creditors unpaid).

Some were strong enough to stand the shock at the expense of their capital.

Some stood up to "face the music" and tried to carry on.

How should our £2,000 a week man act?

I naturally assume that the exporter's working capital and reserve fund is in proportion to his volume of business, much as a bank's capital is to its customers' current or deposited cash. Here, I may be wrong, but I surmise (allowing that he cannot possibly pay his debts to date) if his trade is three-fourths with the

enemy and one-fourth with the British, allies and neutrals, that he should close down. If the proportion is the other way, he should continue. (I must, however, make this proviso. In England, and I believe England only, we were trying to carry on "business as usual," an absurdity only too evident to our French neighbours, and to everyone else who has anything to do with exporting, or importing.)

My reasons are. In the former case he cannot possibly hope to satisfy his creditors while the war lasts. In the latter, it seems more to the benefit of his creditors to let them have, bit by bit, what he can, and thus help them to keep their business going, they would thus get their money sooner than if he liquidated, as in the latter event they would get their 20s. in the £ net only some time after peace was declared.

Of course, by far the most simple thing for the exporter in this position is to fail. No disgrace could well attach to him, as I presume he could easily show.

Good unmatured drafts,

Probably (say) German cheques at present unnegotiable;

Goods in transit,

Drafts matured, of which the proceeds were probably in the post;

And, finally, his reserve (probably not negotiable except at a heavy loss)

In plain English, the man is in much the same position as a farmer having some haystacks in a field which he is unable to get at, and so cannot obtain any to feed his starving horses and cattle.

Hence the better procedure seems to be to carry on when he can, and, provided those who have reaped most benefit from him give and take a little over back debts and fresh business, it should be good for

all concerned, and thus at the end of the war a business hugely increased is still in this country

As things are in East Africa, indents £2,000 a week in July, 1914, compare probably with £20,000 now coming in, and that from only the British portion of his market (See Appendix I)

If, on the other hand, the exporter ceased business, indentors would seek buyers during the war in Amsterdam, Rotterdam, or New York, and after the war Hamburg and Vienna, which would thus be in a stronger position than ever

If manufacturers or factors rigidly adhere to their terms, and will make no allowance for circumstances arising out of the war, they should be avoided by the exporter as most dangerous to everyone concerned, per contra, if they take proper precautions and realize that their money is sooner or later quite safe, it may be worth then while to treat the exporter fairly.

To illustrate the position of the exporter I give chapter and verse, facts, and figures, of actual happenings

Until the war, except as a juryman, I was never in court in my life My first writ was from "The Continental Tyre Co, Great Britain, Limited" This firm brought actions against Messrs Tilling, the Daimler Co, exporters and others, for payment, and the result is now a classic The purchasers had to pay Messrs Tilling and the Daimler Co of course had their goods, and no doubt used them, but the exporters never even saw their shipments

Each invoice was marked with the guarantee of German manufacture, and on that alone I had been legally advised I must not pay yet Anyhow, I had to pay, and to this day some of my outlay is not back On judgment being given against me, I instructed my

lawyers to show goods of German origin, for a German destination, then to offer German money, viz, sight cheques on the Deutsche Bank, Berlin, to pay for the goods. No, I had to produce English gold to pay this Hanoverian owned company. My German money is still absolutely useless, and if later I see 12s in the £ I shall be pleasantly surprised.

One firm, A B, sued an exporter, C D, at an early opportunity after the usual time had elapsed, and obtained judgment against him. They then put a brokers' man into C D's office. Truly he appeared bitterly disappointed at being paid in full there and then.

The fact was that by that time some drafts had come in, and A B would have had their money just as soon if they had considered the exporter's position and met him with the ordinary consideration shown in such circumstances by the great majority of manufacturers, especially foreign ones. Having been paid in full they might have been satisfied, yet during the following week a gentleman, producing a copy of their statement of account, visited C D and asked his intention as to calling a meeting of his creditors.

When then traveller was made welcome in East Africa by C D's representative, his show-room was freely lent him, and no thanks were expected. When they asked C D to relieve them of three parcels for East Africa which the shipper could, or did not, take up, and they did not undertake shipment of themselves, he paid them in full for them on November 20th, 1913, but received his outlay back on April 26th, 1914, and then only after considerable local assistance to get his drafts retred.

The fact of C D having A.B's goods in German territory, for which he cannot expect anything until after the war, if then, and of which he must simply

bear his loss, counts for nothing. Unfortunately, money he expected to receive from Zanzibar was not only not to hand but, as in the case when H M S *Pegasus* was sunk, drafts due were classed as dishonoured, nothing came for collection drafts, but for those advanced on, an exceedingly pressing demand for prompt repayment.

The exporter's position under present circumstances was most clearly brought home to him, when he had undertaken to confirm indents taken by the supplier's own agent. There are numbers of such cases. The supplier, either by himself or through a London agent, often employs a local agent or traveller to collect indents, of which he will not undertake the risk and responsibility himself. Having found an exporter, the agent not infrequently expects him to share his small commission with him, in addition to the commission he receives from the supplier. Often also, if he finds an exporter refuses to continue shipments to a defaulting indenter, he will take his indents to another exporter to ship to the same indenter.

Such suppliers and their agents have not the slightest compunction in pressing for the money, knowing full well that the exporter has lost everything, but freely stating that they know or care nothing where the goods go, or what becomes of them. These seem to be the first to run to the law to aid them. I regret to find that this class seems to be fairly prevalent to-day, but a quarter of a century ago they were almost, if not quite, unknown in East Africa. Their lawyers must have reaped a rich harvest.

While such is the position and liability of the exporter in England, how does he fare as regards obtaining his money from his indentors? I have no hesitation in admitting, in fact I should like to publish from the



housetops, that the judicial authorities in Nairobi and Mombasa acted most splendidly, even if (perhaps) consideration and equity were more prominent than strict hard legality

Certainly here again the exporter was the sufferer, but I do not believe anyone could be found to gainsay the local action

Legal actions were not infrequent (often I believe friendly enough on both sides), resulting in judgment being given for the amount, but no execution granted until after the war. Under existing circumstances there is no wish to ruin two-thirds of the honest traders - let them carry on their trade. If defendant's books show (say) 72 Rs good sooner or later, against 52 Rs owing to various creditors, defendant can still afford to pay 5 or 10 Rs per month without crippling himself if he continues his business, and he does this cheerfully and willingly. Unfortunately this does not help the London exporter to pay pressing creditors at home, and the English exporter is hardly to be blamed for not taking his proper place in the working of the machine.

Personally I have no more feeling of revenge or antipathy to any one firm than I have to the others who have acted in the same way. As far as my indentors are concerned, I have told them plainly, that while the war lasts they must remember I know their trade, I know many of their customers, and, I will do my best to keep their establishments up to the mark, that in England there is more than one maker of chocolate, biscuits, boots, or a thousand and one other things, made, moreover, not only in England but in Switzerland, America, etc. If they must leave me I shall be very sorry, but there are plenty of other exporters.

Anyhow, the present position of the exporter who was doing his best to introduce English goods into foreign

countries is not bright, and the vendors who are pressing him have the whip hand. No doubt, after the war, the collection of writs, judgments, and lawyers' letters, now being made by some of our exporters, will make quite an interesting little volume.

During the war the financial position of the exporter, above all others, must be most critical. If time for payment, subject to interest, were conceded there would be nothing to fear, but when it is a case of seven to ten days, or monthly payments, the exporter cannot rely, as before, on the absolute certainty of receiving his money on its becoming due.

Matters that appear of small financial importance to the general public, that cannot possibly be foreseen and guarded against, hit the exporter very hard, and I see nothing but a series of constant surprises coming up in the near future.

The outbreak of war held up all our money that was in German hands.

The sinking of the *Pegasus* affected every draft payable locally that was due.

The sudden commandeering by Government of money due to liquidating German firms prevents our drafts being met.

Something not anticipated seems to crop up week after week.

I see trouble ahead. There was no mail steamer outward from London in January, 1916. Therefore there will be a mail less homewards. The Italian mail steamer *Porto Sani* was sunk by a submarine. The *Persia*, with our mails and documents, was also sunk.

Such matters are not allowed for by many merchants here, but the exporters must consider them in his dealings with the indentors. The exporter is in constant fear of lawyers' letters and writs, and often cannot, owing

to his staff having enlisted, possibly keep pace with his correspondence, especially hampered as he is with forms, specifications, regulations, etc., to meet new Government requirements

No two manufacturers in the same trade seem to treat the exporter in the same way. While one whisky dealer, after about two months, puts his bills in the hands of his solicitor, of course not allowing the  $2\frac{1}{2}$  per cent (about 15 per cent per annum), and his solicitor asks a nice little sum, another whisky dealer is most considerate even over the whisky lost to the exporter that was shipped from March to July, 1914.

Other whisky dealers seem to be giving merchants abroad ninety day clean drafts, and demanding cash in ten days from shippers here.

This is merely a type of perhaps 100 similar transactions.

I think that our Government, without making it their object to help exporters and exporting manufacturers, anyhow wishes their business to continue. The scheme adopted to assist them by advancing against foreign open accounts was for many reasons not as feasible as it might have been, or was anticipated, and no really appreciable amount seems to have been distributed. (See Appendix II.)

One of the greatest inconveniences to East African exporters is the irregularity and scarcity of mails to bring their remittances. Without the German steamers there were, under ordinary circumstances, but two mails a month, one English and one French. Now there may or may not even be one British, and the French is carried by any old cargo box they can utilize as a stop-gap. When there is an interval of one month, and the following vessel is three weeks or a month late, as has happened, the difficulty can be appreciated. At one

time even the National Bank of India had no mail from East Africa (hence no money to refund) for between six weeks and two months.

The loss to the exporter is severe, anyhow, if he is reckoning on cash due to pay current accounts. The majority of manufacturers expect either cash in seven to ten days, or monthly, less a cash discount. Often enough this is shown on the invoice, and so the consignee also naturally expects the benefit of that cash discount. The loss there is evident, and I have even known many threats of legal action because the exporter could not pay before goods were shipped.

Another handicap is in cash being demanded in seven to ten days from date of invoice, although the goods are quoted and charged f o b. I have a case before me in which the manufacturer certainly got so far as to deliver the goods at Nottingham station. About two months afterwards I, not he, found them to be still at that station. Eventually they got to London, and after missing a ship or two, did get off (and before they reached their destination the indenter was dead). Still, the delay between date of invoice and shipment was long enough for the suppliers to threaten legal proceedings and to refuse the cash discount. Unnecessary to say, all further orders were stopped and supplies obtained elsewhere.

The banks, private and commercial, seemed to realize the position and did all they could to assist the current flow of business by helping the exporters.

The main thing that often drives the exporter to get his goods in Holland and America is the exacting demands of the suppliers or manufacturer as to advancing money.

Considering that the exporter has to finance the indenter from the time the goods are on board ship and

leave the country, or anyhow until he can finance documents (if needs be through the bank), in addition to taking all risks of bad debts, it seems reasonable to expect that each supplier should finance his own goods until they are out of the country, or safely to b But when certain manufacturers expect the exporter to finance them as well and demand cash with the order, or even ex warehouse, then the exporter's business must come to a standstill, as he cannot stand this extra strain on him

A very simple calculation will show the position of a £2,000 a week exporter Even allowing that ships do sail every six weeks, do not shut out, and nothing is held up on the railway at £2,000 a week he would have to advance as much as £12,000 Then he must wait its return from abroad before beginning again Actual experience shows this to be very much underestimated

The war and Government contracts have made many manufacturers particularly severe on the exporter In the first place they have given them such a feeling of independence as to render them indifferent to many trade orders, and they are more than ever exacting in their demands for prompt cash Many actually want the exporter's cash, although the time of giving him his goods is indefinite, to use for Government work Even if the goods are "stock" and no ship is available, now, it is quite common to demand cash down on notice that the goods are ready Frequently I have said, "You must be having some Government orders," and the reply invariably was to the effect that they do not receive payment until at least a fortnight, or it may be an indefinite time, after the business is absolutely completed, hence their pressure on the exporters

I could probably give one hundred examples, but

one will suffice, as the others would fit in if I altered details

I gave an order to ship some ham and bacon, and I instructed shipment. The invoice came fast enough, with its terms, "Cash in seven to ten days, less  $2\frac{1}{2}$  per cent." What became of that ham and bacon for a long time I did not know, however, forty-eight hours after I received bills of lading I paid for it. This payment was acknowledged with a demand for the  $2\frac{1}{2}$  per cent and the usual patter about "our terms, etc." I taxed the collector for the money with a guess on my part that his firm must have a Government contract, and this he admitted, and dilated on the fact of their wanting all the money they could get in.

The  $2\frac{1}{2}$  per cent terms, even if not obvious to the consignee, have to be allowed by the exporter, but (taking terms seven to ten days as meaning from date of invoice) that a delay of three weeks should cost the exporter  $2\frac{1}{2}$  per cent for those three weeks, or over 40 per cent per annum, seems a little like extortion.

In small items, this prompt cash business during war time is ruinous to the exporter. Usually in a small business the whole of the maker's ideas and dealings are concentrated on his one article, and his staff is, in proportion to the labour involved, enormous, comparatively. While the exporter deals in 100 items, each small dealer in proprietary articles, such as razor blades, golf balls, rubber stamps, etc., can thus afford to be most pertinacious both in correspondence and attention to the subtleties of his particular "our terms," and on these the loss to the exporter often for one day or two day's delay would amount to hundreds per cent per annum. Luckily this applies chiefly to small tradesmen's supplies, but the correspondence as well as losses entailed are horrible pin-pricks.

As examples of demands—

Order, June 23 <sup>rd</sup> , 1914, is for	
8 bales shawls	f o b less 2½ per cent
Shipment half by steamer, end July without fail	
" " " " Aug " "	

The order was accepted subject to first delivery by August 10<sup>th</sup>, balance a month later. A subsequent order was issued and accepted for more on July 6<sup>th</sup>.

The shawls were duly ready on August 10<sup>th</sup>.

Owing to the war there was no later steamer during August, and the earliest available ship was either the *Worsley Hall*, which sailed from the Mersey on September 23<sup>rd</sup>, or the *Matiana* from the Thames on September 20<sup>th</sup>.

When the *Worsley Hall* was on the berth, for some reason best known to the merchants, they missed the ship.

On the arrival of the *Worsley Hall* at Mombasa the indentor, finding nothing was shipped, cabled to cancel the order, and by post sent his claim for £30 damages for non-fulfilment of contract.

The shawls are absolutely useless, being of a pattern used in one district only, and that in German Africa. Unnecessary to say that legal threats for not taking these goods subsequently fell somewhat like water off the proverbial duck's back.

On April 8<sup>th</sup>, 1915, the merchants wrote that "charging up every month with interest, they will now charge, in addition, warehousing expenses."

On July 2<sup>nd</sup>, 1915, I again pointed out, "If I attempt to send these goods to German East Africa I am open to be accused of attempting to trade with the enemy . . . However, the point now is that we want to make the best of things. If you ship a part of them by the *Clan Gordon*, which is now loading at

Liverpool, I can do something with them, although they must be a heavy loss to me "

They were not shipped by the *Clan Gordon*, but eventually some went per *Clan Fraser*, in October

Having got them, then, taken off my bill of lading, the merchant procured his own (incurring the consequent extra expenses, although his price was f o b ), and on the last possible day to catch the post I received through his bank a sight draft, documents against payment for the cost, all extra charges in addition to freight, and interest in full to date (He might easily have called himself with the documents )

This, with slight variations, is typical of perhaps at least fifty cases The merchant can " take action " and get his money The exporter has this to face, also his indenter's claim, and the goods are, during the war, useless

As another instance I handed a London firm an order for some Dutch cheese

This order was never acknowledged, and, apparently to me, no notice whatever was taken of it.

A week after the *Batavier V* was captured by a German submarine I received invoices and a prompt demand for payment

Of course I had to take up the bill of lading in exchange for payment of all freight and charges, to try and see if I could recover anything, but my cheese had been condemned

No doubt I was wrong in delaying prompt payment, but I was anxious to learn something of the cheese, and, to use the word of the collector for payment, his people were getting very nasty over it My suggestion that nastiness, if any, should be on my side, only evoked the parrot-like rejoinder that I had given the order and it had nothing to do with them, etc Insurance at that



time was almost impossible without naming the ship carrying the goods

As regards goods that left London towards the end of July, 1914, for transhipment at Hamburg, not unnaturally (as the law now is) flies after sugar is a mild comparison to the vendors, and their "You know our terms," "Hands of our solicitors," etc., became as monotonous as they were painful to hear

The British exporter has to bear every loss, and most merciless are many of our manufacturers, and yet in all newspaper articles, meetings of local chambers of commerce, local exports' vapourings etc., the whole expectation seems to be that Government should do an indefinite something towards fostering bolstering up, and nursing our manufactures and manufacturers

The exporters are out in the cold, and while I admire them for their unbounded recklessness, or pluck (select either word according to taste), for continuing under existing circumstances, I cannot help considering the whole class as deficient in common gregariousness in not combining and showing Government what our share really is towards maintaining the nation's resources, even in war time (See Appendix II)

The remedy should be extremely simple, as we may learn from example. France at once introduced a moratorium, which continued until December 31st, 1915. Nothing, I think, shows a more straightforward, fair, and clear view of the situation than the following considerations offered in submitting proposals for a decree to the French Senate

Sans aucun doute, il est encore impossible de songer à un retour au droit commun, beaucoup trop rigoureux dans les circonstances actuelles. Mais nous avons l'intention de vous soumettre prochainement un projet de décret substituant aux prorogations un régime qui, avec les tempéraments nécessaires, fixerait le terme à partir duquel cesseront

les prorogations d'échéances, tout en sauvegardant entièrement les intérêts des débiteurs hors d'état de s'acquitter

Thus, while in France " it is still impossible to dream of the common law, much too rigorous under present circumstances," safeguarding the interests of debtors is the prime consideration Yet, in England, the law is freely used by any petty creditor who is cowardly enough to avail himself of his Nation's calamities

While our exporters who sent goods to France had to pay for them and had no redress, our importers had to at once pay the French vendors, who have our law to assist them

At a most modest computation our £2,000 a week man may have £8 to £10,000 in abeyance, and any English manufacturer whose £50 account is not paid to date promptly can, and often does, give his lawyer a nice little fee at the expense of the exporter, and can force his debtor into liquidation.

Such is our law now, and I believe such rigour is exacted in no other part of the civilized world

Briefly, the present position of the exporter is that, a sudden national calamity having arisen, he is not only unprotected in any way, but the law is available to assist others to press him unduly, while the effects of the calamity should be shared by all equally as far as possible

Our banks handle the money of the nation, our exporters, the manufactures

In case of emergency the banks' position is obvious, the exporters' obscure

The nation automatically sees that the banks are not unduly pressed, but the exporter was neglected

The moratorium only postponed the evil day, had it been extended in a modified form until a limited time after the war, as regards only such matters

as are directly affected by it, it would have saved many an exporter and maintained a large volume of business

During the war, in such cases as when H.M.S. *Pegasus* was sunk and all local monetary transactions were suspended, a temporary moratorium should be allowed until matters righted themselves

## CHAPTER II

### THE CARRYING TRADE

THIS is not a convenient subject to handle without keeping in view ships, after which we can proceed to see how they and their cargoes affect the commerce of a country

That it is strongly affected must be admitted, and, as this book is on the subject of cargo as affected by the war, we must try to some extent to find out how traffic got established, how it was maintained, and how it is affected now. This, at first, seems irrelevant perhaps, but there are curious trade results that crop up unexpectedly, and it may be worth while trying to find out what is at the root of them. We, indeed, look upon East Africa as a new country, and our general opinions of it are of yesterday, yet it must be one of the oldest that was in contact with the world of which we know anything. Traces enough are still extant of past commercial industries which have given rise to the various speculations as to whence King Solomon obtained his supplies.

Of the early dhow era, if I may use the term (and I include in this period Noah's ark), not much is known.

Undoubtedly Marco Polo went to the African coast in a dhow, but he wrote from recollection only, having kept no diary, and his description of various subjects is so indefinite, that the only conclusion one can draw is, that he visited Zanzibar, but his memory only served to the extent of hopelessly mixing up Mogadishu, Zanzibar, and Madagascar. Being a keen trader, moreover, he did not give away much in that line.

We learn enough, anyhow, to know that live stock,

provisions and valuables were important items of trade, and considering that then, as now, freight was an important factor, we naturally have more reference to valuable products such as aloes, myrrh, and frankincense, than we do to burnt bricks and clay pots, while probably dates from the Persian Gulf to Zanzibar (for distribution to other places) correspond to wheat from San Francisco (calling at Queenstown for orders) to-day.

Even now the same class of dhow brings dates, horses, camels, etc., from the same source, and the pots and bricks from India. Dhows are still largely used on the coast, though the modern liners and steamers have taken most of their trade, especially valuable parcels and passengers, as steam has taken the main oversea and coastal traffic in England.

Later on, America of the White World introduced what I believe to be (excluding native and Asiatic products) the most valuable merchandise, viz., grey sheeting. Even now, whether made in America, Manchester, Italy, or especially Bombay, "American" is the article most wanted, and it is the trade name for it.

American sailing vessels certainly had a good time.

The Sultan of Zanzibar's ships, it is recorded, even came to London.

Coming now to larger sailing vessels, ships, Indian, English, Portuguese, etc., had a hold of the trade before real civilization stepped in, and the slave trade and other freightage came into prominence. East Africa itself, moreover, developed its own merchantmen, as is shown by the Lamu-built dhows.

Except dhows of all sorts, a sailing vessel is a great rarity now. I believe timber, iron, etc., from Norway and Sweden, and case oil from America, were about the dying gasps of the wind-jammer; even coal is not now carried by sail.

The steam era has a bearing on the military strength of a new country, as well as on its commerce, and the present state of affairs in East Africa is one that could not (anyhow was not) apparently have been dreamt of by us Englishmen. Whether the Germans thought the matter out I cannot pretend to know. We must now reap the harvest.

The steamer trade may, for the sake of convenience, be divided into two classes. The "Ditchers" (failing another word) include those steamers which go via the Suez Canal, and also the few that suddenly or deliberately changed their route and went via the West Coast, together with a few cases where surplus goods, to avoid demurrage and its attendant expenses, were taken per Cape steamer to be transhipped at Natal.

In the other class we may put Indian Ocean liners, tramps, and casuals.

The war is opening up, perhaps, a third class, viz., blockade runners.

For general purposes we need not dwell much on casuals; a load of 8,000 tons of rice from Burmah, some coals from India or Natal, a tank or so of petroleum from Batoum before the war (since the war from somewhere else), etc., are important in the trade of the country, but there is not much of a revolutionary glitter about them. On the other hand, however, the Indian Ocean liners are a serious factor—sugar from Java instead of Hamburg, Austria, or Russia, cotton goods, safety matches, etc., from Japan instead of Spain, Germany and Sweden, do give one something to think over.

Of Ditchers—all European—the British India were among the first and were well known, although most of their business was by transshipment at Aden, and in the same category we may as well include the P. and

O goods and passengers transhipped there, and any brought by other European steamers to that port

The British India did have a few steamers direct from London as far as Zanzibar, but they did not seem a big success, and as the only plum was apparently a  $7\frac{1}{2}$  knot contract to carry the mail once a month between Zanzibar and Aden, inducement to improve the vessels in size or speed was not very marked. They now send out occasional steamers

The Messageries Maritimes for years was the line for passengers, although their steamers were old, most of them dating from the 'sixties. They were clean, comfortable, comparatively cheap, and proverbial for punctuality. As for cargo, they did, and do still, carry some British goods, but as Madagascar is their loadstone, much transhipment for intermediate ports is not wanted. Still, they were obliging and would often take a small quantity of goods of a nature that the British steamers rejected

The Austrian vessels during their career were really too good and expensive to run at a profit, so they ceased when their subsidy was found insufficient, and when it came to pooling the trade homewards with the Germans it is unnecessary to say who got the best of the deal. As a country, Austria must have gained enormously. Austrian goods got such a firm footing on the East African coast, partly on account of cheapness, and partly because they were exactly suitable, that the trade is ruined for other countries as far as prices are concerned. Thousands and thousands of pounds worth of orders are undoubtedly only waiting now for Austria to be again open.

The German line, its development, the power it had assumed at the outbreak of the war, and the effect it had on the districts served, are as much a credit (I am

sorry to say it indeed) to the German shipowners and Government as our miserable show is, in comparison, a discredit to ours

At best our boats just tramp to the main ports only, and any attempt to collect and handle transshipment goods is of the feeblest nature<sup>1</sup> The German line, on the other hand, called at numerous ports and gave facilities for others, was the only one that thoroughly and systematically worked up the business—Government, shipowners, railways and merchants being absolutely in unison (See Appendix III)

It is no use despising your enemy We may as well face facts and learn what we can In saying this I only want my fellow-Britishers to wake up and make our trade, which we will never, never do if we go on any longer with our self-satisfied feeling of vast superiority, while we have been the laughing-stock of the German shipping element, if of no other

The German line comprises not only the main line steamers, but Indian Ocean liners, local coasting steamers, and steam or oil-driven lighters Their organization for the rapid and regular discharge and shipment was as thorough as it was novel to our views While even at our main harbour, Kilindini, our steamers rarely if ever took less than a week to ten days in discharging, it was equally rare for a German to be more than two in both discharging and reloading.

The rise of this line, I admit, always had a fascination for me Why, it would be hard to say Possibly because they would carry my cargo when others refused

<sup>1</sup> It consisted in taking the goods on a through bill of lading mostly as far as Zanzibar, for conveyance thence by the German steamers The result of this, owing to the war, was that our British goods were literally "thrown at our heads," the ship refused further responsibility, and the Zanzibar Government seized them, as they did the German owned goods (*vide* page 61)



it Perhaps because I learnt more from them than from any other source Perhaps because I got a slice of German trade with German colonies when I was taunted with the absurdity of trying for it

So fascinated have I been, that I admit to having taken a passage by one of its boats on purpose to see how it was done, and learning what cargo was taken in at each port But as to getting even a hearing from Englishmen whose steamers were in the trade, I might as well have saved my breath

Such were the chief facilities of communication before the building of railways, the material for which was mainly carried by chartered tramps

After that, of English steamers we had the Dales, which lasted a short time While they did run, they and the British India cut rates of freight down to a nominal figure, which of course induced merchants to ship by them, and above all to get goods out to East Africa direct, instead of via Bombay

The Italian line, Genoa to Mombasa, is quite of yesterday For passengers the price is low and the accommodation good, but its main function being to serve Italian territory, it is not much of a competitor to the German and English a trip from Genoa to British East Africa taking about a month

The Scandinavian line fulfils a certain mission, the vessels are by way of being adapted for timber carrying, but safety matches, bentwood furniture, and other Norwegian produce help to make up their cargo

The Clan Ellerman line is really of the tramp element, it boasts of carrying no passengers, it does not appear to suit the merchant as it should, and although the freight is nominally the same, the extra charges are vexatious, and, the consignees being Austrian, it was not liked by many merchants

The Union Castle, like the last, also a new chum in the trade, certainly for a time relieved the tension when extended facilities were needed badly, but they are not masters of the situation

As for cargo and rates of freight, all the European steamers were in the "conference", but who got the best of the arrangement? Certainly not the English. The sailing plans of the steamers gave the Germans the leading position as regards number of voyages, not including extra tramps, and while the Germans would carry practically everything, British steamers, between their own "fads" and Government regulations, simply drove a large volume of business into the hands of the Germans

To go back a little. Before the British India and Deutsche Ost Afrika were at all strongly established, the Indian Ocean trade (with the East African coast) was certainly a happy-go-lucky business. I should think the best known steamers were those of H H The Sultan of Zanzibar, viz, the *Avoca* and *Nyanza*, trading to and from Bombay. The rates were absurdly low. From our English shipowners' point of view every round trip must have shown a loss, and H H Sultan Burgash knew it. But, if current report is of any value, H H also recognized that if he brought the Indians he brought taxpayers and their trade, and developed something that brought him a revenue. Even cloves, the mainstay of the place, and now the bulk of the world's supply, were admittedly introduced quite accidentally into Zanzibar, to say nothing of over twenty varieties of mangoes.

The curious history of the Zanzibar Government (at one time) almost half political and more than half traders, *Kilwa* and *Barawa*, would fill a volume. *They did earn money*—an Arab captain, Lascar crew, small

coal consumption and strongly built of iron, they have lasted for years, whereas steel boats "put" and are worn out in a short time.

Indians owned and still own steamers, these were powerful factors in the maintenance of trade from Aden along the Benadir coast. They prove most energetic, and show great perseverance in the manner in which they penetrate to out-of-the-way places. Had it not been for them, even the Comoros would have been more isolated than many a South Sea island.

The British East African Government ran the *Juba*, she must have lost money, but was wanted there politically. Among European owners I have, however, to admit that the German Indian liners, coasters, etc., were adapted according to local requirements. Their chief object was to feed the main liners—German, of course, while our liners had no subsidiary vessels.

Now an important point in this connection is that Bombay was the nearest and practically the only place to which all these steamers could go for even the necessary repairs and bottom painting, until the Germans stepped in, as there were no facilities for the necessary overhauling anywhere on the whole coast between Aden and Natal. Important this is, though perhaps it does not appear so on the surface. Each stray boat, as an "outsider," picked up a certain amount of cargo to help pay the run to and from Bombay, and naturally she did not get full conference rates of freight. They added to the volume of the Bombay imports.

One very serious trade upheaval in the carrying line was the establishment of the Indian owned steamers that ran from the Persian Gulf and Bombay to East Africa down to Natal. The following causes of their being started and firmly being carried on seem to be

commonly accepted (1) A young officer on a British steamer found an Indian second class passenger using his towel. The resultant action was neither more nor less than what might have been expected, but, unfortunately, that Indian happened to be a pretty strong man as regards cargo and freight (2) An Indian shipper was grossly insulted by some boorish official of the Deutsche Ost Afrika Linie, and as he was taunted as to what he could do with his goods he acted on their advice to take them elsewhere, which he did in an exceedingly short time. Some oldish P & O steamers were bought, and under their new Indian owners absolutely cut the freight and passage money to ribbons, half a rupee a package India to and from Africa was accepted, and even deck passengers were taken for as little as five rupees a head.

This not only affected the Indian Ocean trade, but the European as well, especially in cases where freight is relatively very costly in proportion to the prime cost of the merchandise.

Except when the "Dale" steamers were running, freights to East Africa have all been high—anyhow, higher than to Bombay and Karachi. Also to Bombay there has been a chance of an outsider (not in the conference) taking even cheaper rates. The natural result was that the Indian merchants ordered much East African cargo to be sent to Bombay or Karachi for transshipment into the Indian owned Trans-Indian-Ocean steamers.

Even at the time of outbreak of war Bombay was preferred if any ordinary goods were wanted quickly, and this is more than ever the case now, hence the extraordinary figures shown in the statistics given us in the *Zanzibar Gazette* and the B E A Customs Returns, both of which sources of information are exceedingly

valuable, scrupulously accurate as to quantities, but I fear (to a casual reader of them) misleading at times as to the real source of the origin of their imports

I am afraid I have said too much about ships and shipping, but from what I have tried to point out I feel a little indignant that the Germans made so much better headway than we have

Of the two I ask myself—English and German—which were first in the field when the general divide up of Africa among European nations took place? Of all European countries, which had the best and most? It would appear—France. She had the most, and as far as then known the richest, viz, the Sahara for bulk and Madagascar for natural wealth

Of East Africa—which had the best territory, affording the most natural advantages? I answer unhesitatingly (1) Zanzibar, (2) British East Africa, (3) German East Africa

Zanzibar's chief asset, far, far above all else, was and is—water—splendid inexhaustible fresh water, and this asset is not half appreciated, it is a wonder of the world that no water fit to victual a ship was known to exist on the whole coast between Suez and Madagascar, and yet here it is, in this little coral island. Zanzibar city, consequently, had a thriving population of 80,000 (as far as could be estimated), including wealthy Arabs and Indians, and commanded a ready established trade

British East Africa has Mombasa, Malindi, Lamu, Kismayu—something to start with, anyhow.

What had German East Africa? Nothing that we had not more or less the same of, and none of the advantages named.

And now how do we stand? German East Africa is ahead of us in many ways

We build a railway—the Germans build two. Our

railway cost far more than was expected, took longer to build comparatively than the German, and it is one of the curious points that the Germans were quite our best customers for goods brought by it, anyhow for a time. This is not the point now, but I shall show that as a fact the railway drove business out of English hands and killed any chance of our establishing a regular line of steamers, while it actually helped the Germans to strengthen their line and supplement it with some splendid tramps.

Are we, during the war, to do nothing to raise our status, and after the war simply rely on Germany commercially (not as a military example—Heaven forbid) as we have done hitherto for practically everything, even for a passage to and from our own Colonies when our Royalty, nobility, even our troops, have found it necessary for their pleasure or duty to travel?

I, and I should like it read as a very little I, unhesitatingly say that the state of affairs, as it is, is the outcome of two distinct causes that stand out prominently, and perhaps fifty, perhaps a thousand others that directly or indirectly hinge on them. The two causes are. The supineness of British shipowners and the injurious effects of the methods of shipment adopted by the British Government departments.

I name the British shipowners first. They can combine fast enough (with foreigners included) to keep up rates, but they make no stand whatever against Government methods and exactions that drive our trade into the hands of the enemy.

The extraordinary rise of German as compared with British Africa is in my opinion positive proof of my surmise.

The systems adopted by the various Government departments vary slightly, but roughly they consist in

placing themselves in the hands of agents to advise them on receipt of tenders for freight, or allow them to engage the freight. So far, if they then shipped as ordinary mortals, not much harm would be done, but, the ships once taken, say for anything from a ton or two to a whole cargo, are under their Surveyors of shipping, and assistants. These officers not unnaturally have their own ideas of the restrictions to be put on ships that carry anything so valuable as Government cargo, and as each surveyor of each department has his own views, the restrictions, in many instances, are vexatious to a degree. The result is that the German steamers readily snapped up what English steamers might not carry, and it very frequently resulted in the article wanted being bought in Germany simply because English goods could not be shipped. Unfortunately many shipowners take this hampering of their trade quietly, and some even make more absurd regulations of their own.

I am by no means in a minority of one in thinking that our Government's shipping arrangements are, to put it mildly, worked in a somewhat extravagant, wasteful, and cumbersome manner, and it would appear certainly more business-like to employ a fairly good shipping clerk entirely in their own pay, and not private shipping agents over whom they have little control. While the present methods may merely affect our taxpayers and those of the countries worked for, perhaps we might leave them alone; but when the shipment of their goods is so affected that it prevents the proper course of business from being carried on, and it thus has to be diverted abroad, it is time somebody said or did something.

I said above that the construction of the Uganda railway, as it was carried out, did more towards putting

what should have been our trade into the hands of foreigners than anything else connected with the colony that I can think of. To begin with, it was neither built by our Government nor contracted for. Either of these methods anyhow might be considered perhaps open to criticism, but that criticism would have been of a "healthy" nature, and no one could have said much. It was, however, handed over to the Crown Agents, and from the view of the man in the street a bigger series of blunders over such an undertaking never could have been perpetrated by a contractor who had to study his reputation and his pocket, or by a Government department, such as, say, the India Office, who anyhow have had experience of railway construction and a competent advisory staff.

Here was an opportunity for utilizing English materials, rolling stock, etc., not to mention the necessary tonnage required towards establishing a really good and regular line of steamers that the country urgently needed, and was in fact screaming out for.

To begin with, the gauge of the railway is credited with a difference by some 3 in. only from that of any in the world. If true, the result is that a future generation will have to pay heavily for this. I do not think I would be accused of being a dreamer or an air-castle builder in anticipating that this railway will some day be linked up with a Cape-Cairo line. The Great Western found itself with a gauge different from the rest of England, and without dislocating its traffic for a single day the 6 ft. permanent way was changed to the English standard. How is a future generation to alter a gauge by 3 in. for a length of 598 miles?

Now even maintenance and additions, in the case of sudden emergencies, cannot be carried out either economically or expeditiously. There may be



(there often is) congestion of traffic, both of goods and passengers, in war time half a dozen engines may be suddenly wanted. Where are they to be obtained? No maker in England has any stock, or is likely to have any nearing completion, that can be diverted from, say, an English railway or Government contract on hand. Even in peace time they have not the plant available (without material alteration) to make engines for a railway of East Africa gauge, and in war time no manufacturer would alter all or part of his plant for half a dozen fancy sized engines, even if he could.

At the time our makers formed excuses for declining their manufacture, and Belgian and American engines had to be taken. American engines, American bridges, American tools, and American men thus on the spot, is it to be wondered at that, in commercial life, American lanterns, clocks, agricultural machinery, biscuits, drugs, soaps, cosmetics—a thousand and one notions, etc.—found favour and multiplied like the London house sparrow in New York?

I say again, the method employed in shipping (as well as buying) the railway's material killed any chance of a good fortnightly service of British steamers but helped enormously towards the development of the German.

The present method employed by the Government in shipment of war stores is exceptionally severe on the exporters. Of course everyone must stand on one side now so that the Government requirements are not hampered in any way whatever, but, if only someone pointed it out, I for one am perfectly certain a far superior method than that now adopted could be employed. The Government would get their own shipments better effected, and trade goods would have some chance also. The Government supplies war stores, but food and small necessities are drawn from the trade.

As the *Comrie Castle* was the last vessel sailing from London to East Africa I instance her, but much the same seems to have happened to every steamer. Shippers were all urged to get goods down early; in fact, even before she began to load a notice was issued that she had more alongside than she could carry.

Some exporters went, or sent, down to the docks to see if anything would be shipped, but found work knocked off and information given that the Government had demanded 3,000 tons of space.

Barges were sent back, nothing further was received, and nearly everything was left behind when she sailed, including cargo shut out of previous steamers.

For practically all these goods the exporters have to pay the suppliers, in addition to having to pay for all ready at their packers, and, of course, there are many goods paid for in advance.

I think I am justified in stating that even in the eyes of Government officials, 300 tons of cargo should not be an unconsidered trifle to be handled in this way, and as the Government commandeers space in ships that prevent shippers, by their conference, from sending goods elsewhere, it is doubly hard on them.

• To the ordinary exporter this paralyses his business, and the cost of insurance, war risk, and redelivery is a heavy tax on him. Congestion at the docks and wharves is noticeable, and trade we ought to be doing is driven out of the country. •

The shipowners do not lose anything. Manufacturers refuse f o b orders.

All this could be altered easily. With the amount of cargo and passengers the Government have to ship, and the quantity the merchants want to, there is more than enough to start and maintain at least one line of steamers as good as the *Deutsche Ost Afrika Linie* was

at the outbreak of hostilities, it not indeed two or three lines

I dare not speak as an authority on the subject, but if its changes and developments for the past half century could be carefully considered and a sequence drawn I think daylight would appear. Government methods I have perforce had to study, it was my bread and cheese as well as my duty from the Shipbroker's stool in the city, the daily life in the docks, even to the Government desk, where I had to carry out instructions and where my special knowledge of shipping seemed rather wasted.

The system employed in shipping the railway material was apparently bad, not only from a business point of view but also from a sentimental one, and that even in our modern days is something of a factor. The chartered tramp just takes her cargo, proceeds at her own most economical steaming pace, and ultimately reaches her destination. The master's first care on arrival seems to be to "note a protest," and if necessary extend it, and as soon as the goods are over the side away the ship goes, crawling out to get a cargo home from Bombay, Australia, South America, or anywhere else. She probably leaves and tramps off, looking unkempt, unclean, with the "Sunderland house flag" on one side and evident traces of cement powder, coal dust, or whatever she has been working on, on the other.

The liner on the other hand, from a sentimental point of view, is welcomed as a friend. Traces of even the Dales are still extant in "Lonsdale Villa," "Clydesdale," "Nidderdale," etc. The boats are thus impressed on the minds of the colonials; but above all, liners that have to keep to their dates and must return full or empty, can and do make trade and help the country. The

German steamers, outwards full and shutting out voyage after voyage, were wanted home as soon as possible. There was practically no homeward cargo from the coast worth speaking about, except copra to Marseilles, cloves from Zanzibar, some hides, ground nuts, a little india-rubber, beeswax, etc., not enough to fill (comparatively large) cargo tramps. But the regular liners found it worth while to fill up with such things as mangrove bark, orchella-weed, etc., which anyhow paid something in freight, to say nothing of such items as ore, which could only pay a poor freight, raw sugar from Mozambique for refinement at Lisbon, etc., and of course such unconsidered trifles as ivory, at an *ad valorem* freight, chillies, etc. We ought to have made then, and hold now, that business, and we would have had it had our outward shipping been arranged on lines to foster it.

Many trades and industries are actually closed down, because small supplies of necessary articles are refused shipment.

The chief sufferers are, I should say, aerated water manufacturers, soap makers, photographers, and even chemists, who now are in urgent need of medical drugs. Putting on one side the contraband question (and that is a serious matter, and though only temporary may have lasting effects), soda water and ice are almost necessities of life. Soda water and ice cannot be made without either sulphuric acid or gas compressed to liquefaction, and these two are used with quite different machinery.

Take sulphuric acid. The word acid frightens the British shipowners, who seem to boast that they are no chemists and do not know the difference between sulphuric, nitric, picric, oxalic, acetic, or even (and I have seen an invoice) "acids" (the invoiced term for

acidulated drops) They all seem regarded with the same terror and rejected accordingly

Sulphuric acid, as most of us learnt at school, is so important that the commercial value of a country can almost be estimated by the amount it consumes. Why drive the export from England into the hands of the Germans?

What East Africa wants is sulphuric acid in 5 cwt drums. If the Board of Trade see no objection to its shipment, why should, say, the India Office demand that a steamer must not take a drum of more than 1 cwt gross, and of very particular strength and weight? For years it has been transported in these 5 cwt iron drums, and I cannot recollect any accident ever happening, though I have myself seen a defective drum do its worst during the voyage. Luckily (in one way) the captain honestly said that the ship had had the freight and he would do his best to carry it to its destination, and agreed that if this acid would stand being packed in iron drums it could not do his scuppers much harm if it did leak, beyond perhaps burning off some of the paint; and that is just exactly what it did.

Some owners now go to extremes, and Liverpool even demands that sulphuric acid is to be packed in cases with whiting because nitric is (and rightly) so packed.

As a matter of initial cost, one 5 cwt drum is much about the same as five 1 cwt drums, but the 5 cwt. drum is comparatively a very valuable article when empty. Anyhow, if the splendid German liners could and did carry them (of course, when they had a cargo tramp they preferred shipment by it) it seems childish for an non-decked English tramp steamer to object. Not only thus is a valuable article of export lost to our manufacturers, as it was just as easy to purchase in Hamburg as in London, but the German shipowners

naturally asked, in consideration for taking what our boats refused, that we should also give them a fair shipment of general cargo as well. This was effected by (*e g*, in the case of aerated water) buying and shipping with it the necessary bottles, essences, saccharine, and even the machinery itself, and there are the additional advantages to the shipper of making one job of it, and to the consignee of receiving his supplies for use together, and not, perhaps, having his essences, etc (which do not improve by being kept in extreme climates), on hand and waiting months for his acid.

Many other items, too numerous to detail fully here, may be quoted. carbide of calcium, for instance. Ships often carry this in their life-saving apparatus; but will not take it as cargo. This sort of thing invites temptation to the evasion of regulations. carbide does get to its destination. I even asked a man who taxed me with not being able to ship, and he made no secret that he received it by parcel post. India-rubber solution, spirit varnish, celluloid, many chemists' sundries, have got to be shipped somehow, and are shipped. if English steamers do not take them, others will.

Freight and its rate is naturally the first consideration to the shipper, and in the majority of cases, when the shipper has secured a clean bill of lading, he washes his hands and takes no further interest in the matter than the manufacturer who has handed his goods to the exporter.

This principle is often wrong, and shows a want of care on behalf of the consignee's interests.

Cargo cannot be expected always to reach its destination in perfect condition, sometimes it does not arrive at all, and a shipper should take this into consideration.

Theft during a voyage is a common thing. • Small or

large damage occurs through improper stowage, carelessness in discharge, many unforeseen accidents arise. A ship may even find herself short, say, of a few carpenters' nails, lubricating oil, a piece of canvas, etc., and nothing is more easy at times than to broach the cargo and help oneself. Of course the ship is liable; but there is a huge gulf between the well-found liner who will willingly settle matters amicably and at once with the consignee, and the tramp that will have its protest noted before it begins to discharge and use every possible subterfuge to deny claim, or delay payment.

As a rule, apparently, the fine German liner's crew can repack an ullaged case, so that the packing, weight, etc., show nothing that calls the consignee's attention to it, while the British crew certainly have not reduced their little pccadilloes to a fine art. Of the two I prefer the English method, as it is hard on the consignee to find, after he has paid duty and carriage for miles up country, all his bottles full of sea water instead of three-star brandy or whisky.

I have known a Glasgow loaded steamer's output to arrive minus whisky, whole bottles and miniature samples, some tumblers and a jug. The tumblers, etc., and miniatures being shipped as advertising matter were invoiced free, and the consignee did not get one penny piece as compensation. In a case of a consignment of ham and bacon, a case almost forgotten, I happened once in Hamburg to hear a captain describe how a lot of his crew made themselves sick over strong English ham. I incidentally mentioned that they need not have filled up the space with coal dust and thus destroyed the bacon they left in the case, and I gave particulars of the shipment! Compensation was paid.

The Messageries Maritimes have their own offices at Mombasā and Zanzibar, and the Deutsche Ost Afrika

had theirs at Zanzibar , but our English owners consign their vessels to private firms, who are also traders Naturally a merchant does not want a competitor to have the handling and all particulars of his goods , hence, even at extra expense, I have been instructed to give the preference to foreigners

I thus venture to suggest that our requirements include

One or more lines of British steamers that will carry everything British of a commercial nature

Our steamers to be handled by British consignees independent of all trade

One British Government department, such as the Board of Trade, to regulate all details as to shipments

I have not entered into the complex question of rates, freights, rebates, conferences, indeed anything that cripples fair open competition, which should be taken in hand, so that merchants, shippers, exporters, consignees know definitely what is legitimate business and what is secret commission. (See Appendix IV )



## CHAPTER III

### THE PASSENGER TRADE

It seems well worth while to take this matter into consideration now, if after the war we want to hold the trade in our hands

The only way to do this as far as I can see, is to study the matter from the passenger's point of view, and, on that, for the shipowner to see what he can afford to give at the price

As far as East Africa is concerned at present, and as far as human foresight can anticipate for the next twenty years, the majority of first and second-class passengers to be carried to and from East Africa (with exceptions, of course) will be persons of moderate means, whose tastes and habits afloat are much the same as at home, viz., State-paid servants, military and civil, merchants, commercial travellers, clerks, etc

Where labour is black, except in the Indian Ocean (where the deck takes the place of stowage in colder climates), there is no large business in deck or "steerage" passages for the white population. Of the first-class, the majority do not want anything at all like a suite as in a large transatlantic liner. This class (in the East African trade) wish for just such victualling as they get at home, and to be treated as ordinary ladies and gentlemen—no more and no less

It seemed to the casual Englishman a monstrous pity that when H R H the Duke of Connaught and his suite went for a short shooting expedition to our much advertised British East Africa, suitable accommodation was not forthcoming by which our Royal Family could

sail under our red, if not indeed our blue, ensign, and that a nice little sum of £800 to £1,000 should have been thus handed to German and not to British shipowners. As H R H travelled in German vessels, we can hardly say anything against Messrs Thos Cook & Son, and the various companies that advertise for and equip the many and wealthy big game shooters, for selecting German steamers for their customers. Even for our officials, advantage was taken of the special facilities and rates given by the French and German steamers. Is this to be so in the future? *Quen sabe?* The whole question of the passenger trade apparently seems to be one that will never be completely mastered, and the constant change and new requirements make it difficult.

The East African passenger trade has grown up naturally from a stray traveller, either explorer or bag-man (we seem to have but one word for explorer, bag-man, tourist, etc.), to such numbers that there was not sufficient accommodation even before the war broke out; and now this is a serious matter.

For immediate purposes I venture to think that the Government might, without straining an undue point, hint to the Clan-Ellerman-Harrison Line that the days are over when ships can play the dog in the manger, and that if they give their vessels their cargo they should also relieve the strain by putting on steamers that could carry some passengers, exactly as they might hint that if they took cargo that just suited them they might also make it convenient to take some that does not seem quite so palatable.

It is obvious that when ships on a trade route, duly protected by conferences, decline to meet the requirements of their countrymen and the district catered for, thus keeping off others that will do what is needed, the

result is that (up to the time of war) our trade, both in passengers and certain goods, went to our foreign competitors

The status of passengers on board a ship was, until about a century ago, anything but an enviable one, and, in case of accident or protracted voyage, when ships' water and provisions ran short or went bad, the result was distinctly unpleasant

For generations the passenger had to provide even his own cabin furniture, and this was so in the case of Australian liners only half a century ago. Food then was supplied by the ship, and as far as the steerage passengers, emigrants, and convicts were concerned the quantity and quality was carefully regulated by Government, as was indeed the nature of the cargo carried. The first and second class passenger had to trust to the shipowners or himself, as no legislation prevented him from sailing in a hungry ship, or one with a cargo of gunpowder, matches, etc

Even half a century ago an East Indiaman, Australian trader, or China clipper, had for its passengers an individuality, but the resulting sentiment and affection for ships as friends and homes seems to have died with steam lines, and to-day a passenger, if he goes to Messrs Cook to book his passage, or goes himself to the various offices, takes about as much heed of the ship or its nationality as he does of the first motor 'bus he meets to take him down the Strand

To this day, in the Indian Ocean, the Arab or Indian passenger provides himself with everything except water, probably exactly as he did in prehistoric times, and will do so for many generations yet. Steamers, provided they have their licence from the Indian Government, may and do carry thousands of Indians, etc., and this is an important item to the steamers

engaged in that trade. No steamers ever were, or could be, such favourites as those run by H H the Sultan of Zanzibar. The Indians of various religions were each allowed to cook and feed according to their habits and customs, and no objection seemed to be made to the better class of them spreading and using their praying mats on the top of the wheel house, chart-room, fore-castle, or anywhere else.

These and perhaps a hundred other details are worth considering if the big English line we hope for is ever to command East African trade.

We can hardly entertain the idea of a first-class English (or any other) line laying itself out for the Pilgrim trade. East Africa anyhow would never supply enough at one time for this to be entertained.

There still are old-fashioned steamers with the saloon accommodation aft over the propeller, but they may almost be looked upon as the relic of a bygone age. Certainly no first class passenger now would tolerate a berth right aft in a small steamer against the S W monsoon, if it could be avoided, on the contrary, a steamer with anti-rolling tanks would, other matters being equal, get its berths first taken.

Under normal circumstances passengers may be considered to have a fair choice of routes to East Africa. Where really express speed was of moment, the British overland was the quickest as far as Mombasa, but if it could be avoided, the extra cost, two days' train to Brindisi, Brindisi to Port Sudan under fifty-two hours, the change again at Aden, thence by a smallish slow steamer, especially from Guardafui, south against the monsoon, was considered hardly worth the discomfort.

For years the Messageries Maritimes was the line for passengers from Marseilles without transhipment to Zanzibar, Madagascar, etc. They were punctual almost

to an hour Like most vessels built in the 'sixties, of heavy iron plates, I for one would not fear a "winter North Atlantic" run in them, but I would think twice of such a journey in many modern vessels in the African trade

From an Englishman's point of view the habits, customs, and regulations on board were as antiquated as the ships themselves They had very small smoking saloons, and a joss stick to light a pipe or cigar (matches not allowed), while turn in sharp at 11 p m was the rule, and if one whispered on deck after that the captain's polite compliments, per a steward, were a reminder of the time

The second class passenger has equal deck rights with the first class. This is no great inconvenience on the homeward journey, for alas, Madagascar is fatal to children

The cuisine was good and plentiful, though there were a few things some Englishmen do not care for, snails among them, but free table wine is a point to be considered in reckoning the cost of a journey. The stewards, to many of whom the ships were like their homes, were civil and obliging and absolutely free from the aggressiveness of so many of that class who make a passenger feel he is to be ranked according to his tips

The Austrian Lloyd had a short career, but were becoming the favourites, although Trieste is not as convenient as Marseille for London passengers

The Dales could hardly be taken seriously from the point of view of the passenger trade

The Deutsche Ost Afrika Linie undoubtedly laid itself open for this trade as much as for cargo, and it was well patronized accordingly It was more expensive than the French to travel by, and no wine was included,

while the tips expected were not so moderate. But the accommodation was on modern lines: the smoking-rooms simply marble halls, clean, lofty and spacious, every possible detail for the comfort or requirements of passengers was studied, even to the fitting of the most modern vessels with anti-rolling tanks. In fact, to use the words of one of their captains who, when his ships were being built, came over to England and visited many of our steamers, "You are thirty years behind the times", and, whisper it only, that is a fair German view of our shipping. I think I am not breaking faith, or that my memory serves me badly, in saying that Mr. Woermann's opinion was that the second class was so good he wondered Englishmen went first, except to go ashore first class and not have their names in the local papers as having travelled second. That the German vessels, before the anti-rolling tank era, rolled terribly, especially between Lisbon and the Channel, is indisputable, and such rolling was more uncomfortable than the rolling of a Bilbao iron ore tramp, as the best accommodation was so high above the water line. The appearance of the vessels, too, with their top hamper, frightened passengers at first, and it was expected one or more would roll over, still, no accident ever did happen, and confidence after a time was gained.

The catering was open to criticism from an English point of view, some liked it immensely, and others did not. The bread-stuffs, pastry, etc., were good, as were the meats, but to an English lady, especially if the ship is not quite steady, raw goose breast, raw herrings, raw sausage, and such delicatessen, do not appeal, and any suburban Mary Jane could give them points in making a cup of tea.

No one who has used German steamers much could fail to be struck by the marvellous change in the

character of the passengers in recent years, especially since the Boer war, when the rich German Jew element was returning with his spoils. The newly rich Australian gold diggers and their wives, returning home in the 'seventies, were Nature's gentlefolk in their habits in comparison. Undoubtedly the idea has been to copy English methods, and improve on them, and this has had its effect. The modern German traveller became as polite as our country gentleman, and the Englishman was made at home and studied. Certainly lights were switched off for one minute at 11 p.m. and the bar in the smoking-room closed, with a "Please put the light out when you go."

The ship's officers could speak at least French and English, and might talk to passengers, and the stewards had too much to do to be offensive. Occasionally the band was too loud, and during the New York passenger season (when bandsmen were busy) could well have been spared, and from the ladies' point of view, and the gentlemen's too for that matter, if German ladies would leave beer alone in the smoking-saloon and shout less, an English calm would have been more acceptable.

As for the crew, excepting the two Chinese washermen and the firemen, they are all registered as naval or naval reserve, and (in our view) the ships were much over-officered and over-manned. But we cannot shut our eyes to the fact that five German steamers in Dar-es-Salaam alone have been disabled since war broke out. Add these men to the officers and crew of the *Königsberg*, add male passengers on their way to and from South Africa, the crews and passengers of vessels at Tanga, etc., and here Germany has at least a couple of good regiments of Europeans within a very short distance of our unprepared and peaceable British

East Africa What would we get out of ten times the number of our steamers ?

There is another point the British passenger seems absolutely to ignore, and that is any anticipation of possible shipwreck or accident. Even the finest and best equipped liners in the world are not free from accidents, and although as long as everything is right a trip along the East African coast is pleasant enough, what is going to happen if a serious accident occurs ?

At times, in the Indian Ocean, these liners must have 1,200 or 1,400 souls on board, perhaps even 2,000, perhaps more still if they are carrying troops. Of course with troops there is discipline, but with passengers of every possible religion and race, labourers and land-owners, and as I have seen, in our ships, often enough a crew and officers that barely understand each other's language under most favourable circumstances, what is going to happen ?

The Red Sea is now comparatively safe, but the Italian Somali coast, especially during the S W monsoon, is not. Wireless nowadays is available, but an accident there with many ladies and children is not a pleasant outlook.

\*Of our East Africa boats certainly the *Swaledale* got off, but she luckily had a few settlers as passengers, and with the arms they could raise they kept the Bedouins off, but how many steamers ever got clear of that coast once they touched it ?

Ordinary marine risks our Board of Trade legislate for, but the time may come when passengers will select steamers where the risk is least. As matters have shown themselves up to the present the Germans seem to be taking most precautions, and their discipline should help, while on the French boats it might be all right, but evidences of precaution are not so visible on



board, and a passenger would not know what to do, or where to stand still

Up to the present, loss of human life through accidents has not been great. The loss of the *Kurfurst* meant loss of animals and loss of time, and discomfort to the passengers, and although the company certainly did their best, and did well for first class passengers, the others did not come off so well. The *Rhenania* appears to have been saved from the list of "missing" owing to her white crew and extra hands on board in the form of a relief crew for a German man-of-war as passengers, who were called upon to assist. The experience of the M M *Natal*, the only one of those stranded by a hurricane in Mauritius and refloated, seemed to prove the strength of the old 'sixties-built iron steamer

However, we have our Board of Trade to regulate us as far as human experience dictates, but the minor points in the resultant happenings should give passengers food for reflection

## CHAPTER IV

### BRITISH BUSINESS

How or when this started in East Africa I admit I am in ignorance. As to who were the first there in a purely mercantile spirit little if anything appears to be known.

Exporters, travellers, missionaries, of these something is generally known and recorded, but of pioneer traders very little ever sees daylight.

Generally the pioneer trader is not the class of man to publish his experiences (even if he could), and many and many a trader has lost his life unknown to the world. If he has not been killed by natives or by animals he might, if he had lingered for days perishing of thirst and hunger, leave his name, or mark, cut on a baobab tree, which when found would convey no useful information to the finder. Stokes would never have become known publicly were it not for his tragic death, and there were at his time, and long before him, many others trading on similar lines.

Of Englishmen who had a strong influence towards the encouragement of British trade (of course referring to our own times) in Zanzibar, we had above all Sir John Kirk and General Matthews, men of real power and value to the country, but they were not traders.

We have still what may fairly be called a premier British firm in East Africa, and if the annals of some of their members could be properly recorded their feats of Empire building would show us in England whom we have to thank and whom, indeed, honour. Such names as Mackinnon, who is known, and Jimmy Martin,

although perhaps not so well known, anyhow received honourable mention at the hands of Lugard, etc., at some time other names may, I hope, equally be placed on record. Other Englishmen on trade intent have become tribal kings and thus started their country's business. But the pioneer merchant is no hero, nor the man worshipped by England. Our premier firm was established, so Germany did not have everything its own way, and for many reasons we would miss our Smith, MacKenzie & Co. Of course changes have taken place. What little ivory now comes to the coast reaches it by railway, no longer does the caravan, with its glamour, come from Uganda. No more slave gangs. All these are gone, and to-day our premier firm, no doubt, goes with the times. The leading local newspaper's outside page is decorated with their advertisements "Sole importers for whisky, wines and spirits, mineral water, etc.," and one-third of the sole agency (of which another third belongs to a French firm) for—Lipton's tea!

And is there no romance left in business? Is nothing now to be done by our merchants towards developing the country, or is the leading business "sole agencies" for grocers' sundries?

Do wake up, old friends, try and employ your good well-known name to add to your dignity and that of Great Britain. No doubt you are right and the times demand it, but to many of us, and to foreigners especially, it does not indeed look dignified.

In addition to all the firms of various importance we have now another new British firm, which is doing what it can to develop the country by encouraging and helping cotton—and more power to its elbow.

But all our British firms together compare poorly with those foreign firms alone that have been closed

down during the war Who is going to take now, and who is going to keep, after the war, the business which is as ready to be picked as a ripe pear ?

My first thought was to leave this subject alone, but I have so often been asked my opinion that I might as well give it once and for all I trust not to give any offence.

My humble opinion of British business to-day in East Africa is, I fear, not encouraging, and I almost think my contempt for the business acumen of many of my countrymen, including myself, should be kept in the background, but possibly, with a little reflection, someone may introduce British business on an improved system

From my fellow-countrymen I have learnt very little that would help me, but much to be carefully avoided

English habits are not palatable to Mohammedan traders A deal over a glass or two is no doubt as correct in London as it is in Gujerati land to sit with a customer's hands grasped under a handkerchief Different countries, different customs Too often our customs do worse than offend the customer, who has his ideals of an Englishman, and of what he should not be or do.

Business to an Indian is a serious matter, and when treated properly he will often spare no pains in helping a buyer to learn not only what he wants but also the requirements of the whole market, while anything like flippancy may fall as flat as a most entertaining comic song would at a concert of chamber music

The first thing that must strike foreign traders, and the Indian does notice it, is the apparent want of *esprit de corps* freely exposed by the smaller class especially of British trader who is after "orders" To abuse each other's wares does no good either to the vendors or to their country, in fact, the effect is very

much the reverse, and it gives the impression that the English community is all at sixes and sevens

A new traveller (commercial, I mean, of course) may arrive; he may perhaps want to see a little life, he may leave the club carrying away a whisky or two too many. As certain as I write this, whatever he did would be all over the bazaar before he had had his breakfast

If the traveller is merely selling shopkeeper's sundries no doubt he would pick up some orders, especially if he pushed until he was given an order to get rid of him, but if he is after "trade goods," the real backbone of a country's commerce, then I venture to say that, with all due respect to him, the British-shopkeeper's-trade class of commercial traveller is not generally the man for East Africa

The true Indian merchant is in his business a singularly intelligent man, but sensitive to a degree. He respects, and expects to be respected by, an English visitor, but his respect vanishes only too quickly if that visitor does not respect himself

I have to admit that too many Englishmen imagine that the excellence of their samples, the name of their firm, their own persuasive eloquence, and perhaps a present more or less valuable, will do the trick. It might. On the other hand, if the Englishman knows nothing of his customer's religion and his particular sect, he may make an unpardonable mistake. The present of a most valuable gold watch to a man whose sect prohibits him from wearing it has a reverse effect to that intended. I have heard the complaint: "I gave the old bounder so and so and cannot get anything out of him", and I have heard the country utterly condemned as not being worth any good man's while going there. Let it stand at that

The country undoubtedly has splendid opportunities, but we English are not making the most, or anything like it, of them. Certainly the country has numbers of agents, or agents' agents, each with their specialities, sole agencies, etc., and I might add their petty jealousies and mysteries, but I really think they do more harm than good, and the orders they get are most dangerous to the exporter to handle, especially in war time.

No word can be said against the larger German firms, and English too, for the matter of that, they know the ropes, their trade is "healthy," and they occupy a certain position in the country without lowering the dignity of the white man. But I am sorry to say many of our compatriots have shown signs of the "poor white," even to the extent of borrowing money from the Indians. This would not be dreamt of by a German. The pay of the latter may be, to English ideas, ridiculously small, and the working hours severe, but "all found" is the rule, even to washing and any "treating" of friends or customers.

If Englishmen could work more in unison they would lose nothing, and as for their having "trade secrets," and making a mystery of their charges and of what they are doing or have done, they may make their minds easy. If a man is *persona grata* with his customer, that customer will tell him of almost any business transaction completed by a co-religionist, and if there is any doubt expressed, in ninety cases out of a hundred he will go and get the other man's invoice for inspection.

The same man would be the closest of the close as regards any business he was contemplating, and until his goods were disposed of, or sold, he might be talking and discussing the subject with his buyer, impressing on him certain points, even if that buyer was returning

home that very day Not an order or a hint of a promise of one would leak out, but in all probability his buyer would find on his desk on arrival that his customer had posted his indents to catch the very steamer he travelled by

Thus his buyer could not know of the orders and divulge them, and as to details, they were the last in his brain when he left, the first to be worked on, on his arrival

British business hinges so much on shipping, that there is a point that possibly British shipowners might consider

One of our lines is or was consigned to an enemy firm, and the Indian merchant knows full well our war stores are shipped by it, to the exclusion of his goods He can only see, and wonder if it can be true that our Government trusts our war material to an Austrian firm, of which one member is an Austrian military officer returned to his country and the other one interned

It would appear to be an advantage for very many reasons not to allow our English names to appear too freely on documents Taking as a criterion the current rates of insurance, the dangers of "capture, seizure or detention" are painfully obvious In such cases the neutral stands a better chance than we do, especially if all documents are in his name, and this applies both to pre-war shipments and to those of to-day

As examples I would quote the *Deutsche Ost Afrika General* This steamer, as is well known, was commandeered to act as a tender to the *Goeben*.

Her cargo was discharged, mostly into Turkish craft ; but a great deal was commandeered by the German Government Of this I can account for .

American—shipped on through bills of lading from

New York Luckily the bills of lading are in the name of the New York firm, who received notice that the goods were commandeered, and full instructions given them to lodge their claims

American biscuits—accounted for

Spanish-made singlets—I fear that through the want of further interest, the goods having been shipped in accordance with instructions, the shippers do not seem inclined to move much in the matter

German cargo, some in the name of Germans whom I cannot communicate with ; after the war I may hear something, but as regards those in my name I can only wait and hope British goods, such as biscuits, provisions, Scotch whisky, etc , I can presume have long since fulfilled their mission in the world's economy , and goods marketable only in East Africa I may write off as a loss

On the East African coast every possible allowance must be made, and it would be unjust to throw blame on men born and bred in the Northern European climate for a considerable amount of slackness and lethargy

Zanzibar is perhaps more enervating than Mombasa, which also is more so than India.

From Mombasa, one can now take a train three or four times a week, and sleep under blankets ; from Bombay, with the three o'clock train, one can dine at Poona or Kirkee , but in Zanzibar there is no getting away from the oppressive damp heat at night, and fever seems more to be feared in the suburbs than in the town.

Under the despotic rule of the late Sultans, with the slave trade supplying ample labour, Zanzibar thrived , but now much of its trade is gone Labour is scarce, and commercially its glory has departed. Yet, as its 1914 returns show an export excess of £51,347 over



imports, it should be more than self supporting ; while from its geographical situation it should now rise to the occasion and prepare to become again the emporium of East Africa

I woke up one night and said to myself . My dear old Zanzibar, do look at yourself as others see you

You, formerly, and not so very long ago, the Great Emporium, the centre of trade for East Africa Where is your business gone ? We realize your difficulties ; we do not tear up treaties , and you are rightly acting according to the Treaty of Brussels, signed by thirteen nations The International Bureau rules you ; the flags of the thirteen nations decorate you , and to look at you, you remind me of home, home in a country town given over to its annual fair, with your big egg-box of a palace, your bunting, your clean, bright, beribboned officials, your everlasting green foliage ; you are pleasant to gaze upon, in spite of your sweltering heat night and day, fever, prickly heat, jiggers, etc. ; all who know you love you

But to take you seriously as a business proposition !

*Inshallah—kesho* <sup>1</sup>

Who in the world knows what you really are ? Foreign, Protectorate, British or Arab, or what ? Under our Foreign Office one day, our Colonial another ; and as for trade, even if we send you a bedstead the Conference funds here do not seem to know how you are to be treated

British methods of business beat my comprehension  
I cannot grasp them

<sup>1</sup> If God wills it—to-morrow

## CHAPTER V

### GERMAN BUSINESS

MOST of the business on the East African coast at the time of the outbreak of war was in the hands of the, comparatively, large German houses, whose head local offices were at Zanzibar

That they should date their letters from Zanzibar and control the market in British, French, and Portuguese territory, in fact from anywhere apparently except from German territory under German law, and, probably especially, under German military arrogance, has got to be accepted they did it, and they were there before their colony was acquired

With their patriotic cohesion any Englishman who ventured to tread on their business preserve in Zanzibar had but a poor chance, and was quickly told so. An Englishman who attempted, say, copra, found a strongly combined opposition, and no effort was spared to crush and ruin him. In cloves only Germans could not obtain the practical monopoly, as 25 per cent of the clove crop is the main source of Zanzibar's revenue, and British officials certainly could not, and did not, hand their holding over to the Germans' tender mercies . . .

As citizens and residents, and by the Treaty of Brussels, they had equal rights with others of whatever nationality; and commercially they ruled the roost, using special advantages by German steamers

That the Austrians, French, and Americans should establish themselves in Zanzibar is not surprising, they

have no territory on the near mainland. But that the Germans should use Zanzibar, both afloat and ashore (and their transshipments there were large), while both Dar-es-Salaam (the German capital) and Tanga were so exceedingly near, is worth English consideration for the future.

Our English idea seems to be: if a new Englishman starts, cut your prices and starve him out. When he is gone go back to old rates and old prices until another new venturer comes in.

The German idea is, let him come, square rates and prices with him, and if he makes a fair thing, welcome him, and a dozen of him, and then you have a really strong German community, and so the snowball grows. But what English firm have we that is really much better off than it was twenty-five years ago?

How is it the Germans get so firm a hold? Chiefly by helping the innumerable small merchants to get on their feet and keep there, by helping them to start or restart in favourable spots, and by legislating for them while on German soil.

Let us see what the Germans did in the case of, say, sugar. In countries where white men are counted by individuals and the natives by millions, all of them loving sugar, only the cheapest of the cheap is wanted for the native trade. What does the German do? He sells his sugar to the Indian merchant, taking a six months' bill. If, as is probable, half the merchants cannot retire their drafts, he then extends them at 6 per cent interest, the local rate being 9 per cent. Naturally from the very first, and while anything is owing, a proviso is made that he brings his produce to the German to negotiate, and he also makes his purchases of other merchandise from the German. If the Indian merchant does not do well in one place, the

German plants him, his family and his goods, lock, stock and barrel, somewhere else O'Swald are credited (with or without truth) with having thirty-two establishments in Madagascar alone, and their own private steamer to keep in touch with them

If fifty average British houses started now, on the spot, I fail to see how they could compete if William O'Swald & Co, Hansing & Co, the Deutsche Ost Afrikanische Gesellschaft, and the Africana Handels Gesellschaft, opened up again the day peace was declared

Their methods are not our methods (if indeed we have any !) I have not a word to say against our old-established firms there except—they are not in the same street with such establishments for mastering the trade

That competition is possible I do not deny ; but to do it, needs the combination of, say, fifty firms, such as we have in London, exporting and importing to and from that district, working absolutely in unison and acting under one and one only as first head, and that head one of powerful individuality and marked personality, acceptable especially by the Indians, and unfettered by ignorance and jealousies of his directors. This is a castle in the air according to English views and customs, but not according to German ideas and practice. Germany had Bismarck. Germany has Herr Ballin, and, with Herr Ballin, she had her merchant navy as it was when the war broke out .

Why not build our air castle ? It hurts nobody, and someone might pick up and even possibly utilize an idea or two. What we must do is to—(1) start a shipping line on up-to-date principles, (2) start a business firm on similar principles

O'Swald's steamer *Zanzibar* must indirectly, if not actually paying her cost and running expenses, be worth a fortune to the firm. There has always

been a *Zanzibar*; the first certainly was very small, and was wrecked at Pemba, the second was a bit bigger, and was sold to the Italians when their Turkish war was on, the present *Zanzibar* (judging from appearances) must be good for quite 1,700 to 1,800 tons. This vessel will carry all the firm wants from Hamburg and Marseilles to Madagascar, she can fill up with Austrian sugar at Trieste, and, if there is a scarcity of sugar, or perhaps it is wanted to spoil the Englishman's market, 1,000 bags more or less are dumped down, and where is any ordinary trader or exporter who at the utmost can afford to sell on ninety days' terms?

Taking sugar, Americani, kangas, or indeed any generally used article worked as the bedrock, the rest comes by itself.

Starting a main office with a large number of subsidiary outposts is not a new thing in East Africa, nor were the Germans the pioneers. They probably took the notion from British (not English) subjects, and such a firm as, say, Allidina Visram, who were credited with some thirty connecting links between the coast and Khartoum, is a fair example.

Of course barter for requirements and luxuries in exchange for produce, and all current expenditure paid for with trade goods necessitated a head receiving and delivering establishment at the coast. Add to this headquarters at Hamburg, Marseilles, etc., with or without a private steamer, and special rates and facilities by one's country's line of steamers, and the result is obvious. Who can attempt to compete?

Soap, cheap common soap for native trade, is an important item. This does not come from Germany, but chiefly from England, and the German

merchant is no more aloof from purchasing in England than the Englishman in Germany. Take our friend the *Official Gazette* of Zanzibar: it shows among the writs for condemnation of foreign seized goods no less than 1,682 packages, etc., of soap. Of these 428 packages were ex *Warrior* (British), 943 ex *Kongfos* (Norwegian), but not one package ex any German vessel. Add also German owned soap landed at Kilindini for transit to German Africa by our railway, and we have some idea of German trade and its influence. Of course, soap was a drug in the market, and could for some time be bought cheaper locally than in England. No doubt anything but a satisfactory state of affairs for those who had any stock, but that does not concern us much here.

Another point this *Gazette* shows concerns the timber trade, which was formerly mainly in the hands of Norwegians, coming in sailing ships, but we now find a German mark on some 9,663 pieces and packages ex a Norwegian steamer. Incidentally there were 1,555 pieces of ebony ex a German lighter, but this no doubt came from Madagascar, and Zanzibar was being used merely as a transshipment port.

The German seems to make no secret or mystery of his trade, but ask an English manufacturer who may be dealing direct with one's own customers as to the price he is receiving and the credit given, and the question is regarded as an insult; whereas in Hamburg a paper was printed giving as much information as the *Zanzibar Gazette* gives, and more.

The Indian is an important factor as a merchant, and the Goan as tradesman. Greek and Italian traders are numerous enough too, especially in

German territory Few Englishmen, however, seem to know or discriminate between a Khoja, Bhora, Banyan, Memman, etc., but tar the lot with the same brush, and the mistakes made and business thus lost can well be imagined

The greatest volume of business in East Africa is conducted in the Gujarati language Ask 95 per cent of British exporters what they do if they receive an indent in that? This is no place for a discussion on the knowledge of languages, but in securing this as an asset, the "Dago" stands out pre-eminent, the German next, and the Englishman a very bad last, excepting only, perhaps, the French It is no uncommon thing for a conversation and business to be carried on in Swahili, because all men of all nationalities who travel about much must know enough anyhow to secure the necessities of life

The Germans make business, while we expect it to come to us

German methods and ours as regards shipments are as wide apart as the poles. Uncouth and discourteous as we have been accustomed to regard the Germans, and as much as they have out-Heroded Herod in their method of warfare, I personally have almost invariably found those who deal in ships become super-Chesterfields in civility and courtesy towards Englishmen. I believe in their innermost hearts the German mercantile marine element has little or no respect for Prussian militarism, though, of course, they dare not show it, still *Der Tag* was to come both for their navy and mercantile marine

Of naval subjects I know nothing, and I give my conclusions for what they are worth from the little

I have gathered from those working bees, the German seamen, owners, etc. My impression so gathered was, and is, that they think that ship for ship, and man for man, either would win, but if their modern ships could catch ours on equal terms in anything more than half a gale of wind, they would soon sink ours, which would be rolling their lower guns out of use, while their ships would be as steady as platforms. They apparently attach much faith to their anti-rolling tanks even in the mercantile marine, not only as being attractive to passengers, but also because the space lost they regard as compensated for by the more perfect delivery of cargo, which they discharge as sound as when shipped, while the old class of steamer is "noting" and "extending protests" to save claims.

Civility pays, and the Germans know it and act on it. Even now where they can, the German shipowners are offering us back our cargo that was in their ships which are interned in neutral ports, subject to a deposit of 10 per cent *ad valorem* to cover general average.

As a contrast, and as I wish no one to trust to hearsay alone, I venture to quote an experience of my own.

I had on one occasion to export a fairly ordinary Thames-built fifty foot river steam launch to East Africa, and could get no London steamer even to quote me a price. The Germans offered to take her from Hamburg, building a cradle at my expense, the latter to be considered my property.

Failing to find anyone who would take her over for me, and having no time to lose, I took her myself.

The trip across the North Sea might be of interest, but not here. As bad weather set in, I ran into the



Zuyder Sea, through the Dutch canals (as master of my own yacht under the club burgee), over the waters so ably described in Eiskine Childers's *Riddle of the Sands*, and so to Hamburg. My point now is, that on arrival alongside the steamer I was received as captain (captain !!! of a river launch, and I without even the ultramarine brass-bound clothing so much fancied on the Thames). I thought at first I was the subject of sarcasm, but nothing of the sort. I explained I had not a cent left but an English £5 note. Could your commander give me change to pay the pilot? Certainly, he gave it me in full to a pfennig at the day's current rate of exchange. Anything else? At a hint from my engineer, the chief officer blew a whistle and men were soon in my little boat white-leading and cleaning the engines, while I was made comfortable in the chief's cabin. Anything else? Yes, please, I've brought this thing here up to time, for pity's sake give me a clean receipt and let me get off and get to bed somewhere. I never saw that craft again until years after, when I happened to have her lent to me for a few days, and the nigger in charge wanted to teach me how to handle her.

My experiences in London, I am not proud of. I took a launch strictly to a time specially named by the London shipbrokers to a steamer in the Albert Docks. I was welcomed, I shall never forget it, with "'Ere, you take tha' — 'ooker out of this till we want it." I had to find a caretaker at London trade union rates for day, overtime, and night work, and between that, dock charges, etc., my expenses were simply monstrous, not one sixpence of which would our London shipbrokers ever refund.

And this is not an isolated case

In Hamburg I have always found civility and willingness to show everything new, and, above all, assist in information as to cargo and its disposal, while in London, and for my sins I have lived (existed rather) in that delightful suburb the Tidal Basin, I have realized that the London shipping element is very far from the top of the class for civility.

A German Consul frequently sends for and obtains information from our traders. I have never yet known a British official in Africa, or anywhere else, return the compliment

One idea, learnt from a German, is that we take English colonies, pay all legislative and administrative expenses, and they take the business profits

I much dislike borrowing quotations, but for once I take *Germany and the Next War*—F von Bernhardi

“The Germans are born business men, more than any others in the world” “A part indeed of English wholesale trade is in the hands of Germans”

von B does not know the British Indian, nor yet Chinese or Japanese merchant!

## CHAPTER VI

### CAPTURING THE ENEMY'S TRADE

THIS seems to be to-day's hobby horse, and the poor brute is not spared

As for the home trade, my limited knowledge does not entitle me to have any views. As to export, never were opportunities more open to us, but we are giving them away with both hands and shaking them off our shoulders. Up to the present, Holland and America chiefly, but also Japan, Java, etc., are reaping the benefit.

My firm conviction is that rarely, if ever, is any particular trade captured by any recognized general method. A new trade can be made, or a new industry started, by applying labour and machinery to local supplies.

For instance, sisal is in Africa, we have but to improve its growth and find suitable machinery. Rubber is wild, it has to be collected, and where the wild rubber is, the climate shows itself suitable to experiment with and develop more valuable trees or vines.

This, of course, is making, hardly capturing.

To capture it is merely a question of first studying how matters are, and seeing if, by any means, small details, at first especially, can be improved upon.

Thus it is evident that if an Englishman, a German, and an American are on the spot and each wants to capture any article of commerce, it is purely a question as to who can afford to give the best price, or offer best facilities. This hinges simply on the details of a man's business. If the merchant has

his own money on hand, or perhaps can offer goods on the way out, or indeed if he is more of a *persona grata* than his competitor, the business is his for the asking

I have heard enough about Government help, but I quite fail to see that it is a Government question in any shape or form. Making, purchasing, capturing—use any word—in a trade, is a matter of purse, or individuality, the latter often the more valuable asset

The German-made trade in East Africa needs no capturing now. It is simply rushing at us, and we are meeting it as we would a herd of buffaloes charging us, by aiming at the middle ones and expecting those on each side to scamper off—into America and Holland

I speak feelingly. I started export business without any experience or a word of advice from anybody, and I never asked for an order, or business, from a single merchant. Somehow I must have captured somebody's or I should not have a business. As it is, East Africa is offering me ten times more than I can possibly handle, as matters are now being worked in England

Therefore, I venture to assert the business can be easily taken (*vice* the word captured, resigned), if we will consider the following points and where necessary improve on the details in their manipulation

To capture German trade no doubt many have been sent from England to see and report as to the possibilities of various countries. I do not think the right class of man has often been selected. I have never met such. Steamers' captains have been called upon to advise, ships' husbands, marine

surveyors, all no doubt excellent men from the shipowner's point of view, while as to the land expeditions, where men have had the pen of a ready writer, the hairbreadth escapes, the view by moonlight, home sentiments, etc., have been dilated upon. No doubt these are highly interesting, but they are not business. Scientific travellers, on the other hand, have been of service. Their accurate observation of the climate, geology, fauna, flora, are stepping-stones for the business hunter towards knowing what to look for and where, and their hairbreadth escapes and moonlight, generally very lightly touched upon, give him a rough idea as to the equipment necessary for his purposes.

The German firms, not being impecunious pedlars, establish themselves to supply the wealthy wholesale dealing Indians, Greeks, Italians, etc., who again supply and often finance the lesser Indian, and so on until the actual goods are disposed of to the natives.

As a rule the German firms start well financed and with a high-class clerical staff at very moderate pay. Their Home and Colonial Governments are of very material assistance to them in ways apparently unthought of by ours.

The methods and actions of the banks must be the exporter's thermometer, and the patient's pulse. (I pretend to no knowledge of banks or banking, and I trust them implicitly to know their own business; I therefore judge only from the exporter's point of view.)

The Deutsche Bank, as soon as it knows its men, will advance on a draft ninety days D/A in full, less, of course, charges for collection, etc.; up to a certain limit on each indentor, increasing or decreas-

ing the limit, as necessity warrants, and if a local merchant shows signs of weakness the bank acts accordingly. Among British banks at Zanzibar, the Standard of South Africa closed down, presumably because it could not make a success of it, and the National Bank of India certainly does not care to look at a D/A draft, except as a collecting medium, and if they do kindly oblige a customer, they naturally want tangible security and then only offer a partial advance, and no one can but admit that they are quite right. Thus if two men are needing finance and one can secure 100 per cent, and the other 90 per cent, it is obvious which could capture most readily.

That the German merchant should almost monopolize trade in German territory is not surprising to anyone who comes in contact with British manufacturers, their clerks, or their agents. One point is observable in framing prices. Take for instance a parcel of beads, safes, glass-ware, anything in fact from the borderland of Hungary, Austria and Germany. The exporter may purchase in krona and heller, pay freight from Genoa in lira, insurance in sterling, and he is reimbursed by a three months' draft in German colonial reichsmarks.

It is no use disguising the fact that mental calculation in such mixed currency is beyond most English masters, while it is at the finger tips of an average German clerk in the trade, so if we want to capture the trade we must learn a little elementary arithmetic, and the currencies.

We must not look to Manchester either to help us to capture the enemy's or anyone else's trade, or even to retain much of what we have.

As a manufacturing centre Manchester holds a

powerful position in the world But as a business city I am ashamed of it Far too many of the merchants are helpless to deal with the situation created by the war

We have in Manchester a big powerful city, close to Liverpool, yet we find it cannot ship its own goods, its merchants fall back on "our terms seven to ten days," get their money, and then whine out such excuses as "our utter helplessness," "in the hands of the railway," "ships too full," etc And what are the real facts? (See Appendix IV.)

I need but refer to one example, but could give dozens of others I take the *Orator* As one excuse a Manchester shipper stated to me that he was helpless because "the railway would not take goods before the *Orator* was ready to load," yet before she was ready "the railway refused because the ship had as much as she could carry" What did she carry? Rotterdam through cargo! Iron drain pipes, common blue mottled soap and such like, and she shut out valuable Manchester bales, biscuits urgently wanted for our troops in the field, etc And Manchester with this sort of thing under its very nose accepts the position

Manchester goods, when the order is placed, may be ready in a fortnight, or a month, or a year, or more, from the acceptance of the order, and then the purchaser, regardless of his convenience or otherwise, may be suddenly faced with having to find large sums at ten days' notice

This under ordinary circumstances we are accustomed to, and where posts are fairly regular can be prepared for, but now for East African shipments this presses with undue severity

To a manufacturer for the home trade it is not

necessary to ask for any relaxation, but to one catering for export, I do not think it unfair, and he really should try and take some interest in the destination of his goods

The following from a Manchester solicitor shows that such a consideration is quite repudiated, as he writes, "My clients have obviously nothing to do with the date when your remittances arrive from abroad"

I certainly thought that, with so obvious an upheaval of posts and remittances, it should have something to do with it, and that the  $2\frac{1}{2}$  per cent prompt cash discount thus in the hands of his client, should be an uncommonly good rate of interest and should carry an allowance of, say, at least a couple of months (15 per cent. per annum)

When a firm takes the exporter's money and the goods are six months or more unshipped (as is frequently the case now) there is no allowance whatever made to the exporter, even when the failure to ship, or deliver, is the manufacturer's own fault

Later I show how a certain sheeting is losing ground in favour of Dutch, Holland thus capturing from us

Already by the French mail delivered on Christmas Eve, I have received information that so disgusted have certain indentors become, contracts have been made for the ensuing year with Amsterdam to supply direct

As for capturing the enemy's trade, I fail to see where capturing is necessary. The trade is there, the enemy is not in the running, we have only to keep the neutrals from taking it, while it is being actually put into our hands

As for business after the war, we should now get it and take steps to prevent the enemy coming in and



towards this certainly up to the present we do not appear to have made a move

Some countries tax commercial travellers heavily, but I have nothing to say either for or against this

I nearly learnt this at my own cost Massowah (Italian), Djibouti (French) are the keys, as it were, of Abyssinia, in addition, of course, to their own territory At Djibouti officials are apparently particularly sharp I had no samples, but even to enter Djibouti £8 had to be deposited, which was returned next day Had it been hinted that I went there, except on purely non-commercial lines, I should have had to pay for my licence even to talk on business matters

I fear this point verges on "free trade" and "protection," a political subject, and as such, one I avoid But as things are, I once landed in Mombasa My friend happened to have his field glasses showing conspicuously, they were taxed A commercial who had a valuable case of watches, etc, samples only, went through scot free

I admit the International Bureau ties the hands of Zanzibar and Mombasa, but at the first railway station *en route* up country in British East Africa our German bagmen and their samples could be caught if any proposal of this kind were adopted, although personally I would prefer to beat my opponent on an even footing

If capturing trade is to be made a State affair, Government can hardly be called upon to undertake this until manufacturers, merchants and exporters, act in unison, come to a general understanding, see what is wanted, and show their hands

Still, as far as I can see at the moment the only points Government might take into consideration are

1 The regulation or apportioning of their shipments towards fostering a British line of steamers

2 The regulation of contraband, and many minor details, especially forms, specifications, etc., to facilitate quicker and easier shipments

Much that has been said in other chapters applies equally here, and all the above points notwithstanding, our most important handicap in "capturing the enemy's trade" is undoubtedly after all the exacting demands of our suppliers. As I have shown, they have made their terms more exacting than in peace time. When they say they want to capture the enemy's trade, what do they mean? Why, simply that more of their goods should be exported. But they do not give the exporter more goods to export, on the contrary, if the exporter is to send out more goods, they demand that he should find more money for them. They know that every single exporter in the country has from two to six months' outlay owing to him (according to the distance of the country he trades with), *i.e.*, that many thousands of pounds of his floating capital are suddenly and hopelessly tied up. Yet it is precisely that exporter whom manufacturers call upon to finance them on a larger scale than heretofore. No, if they want to sell more goods abroad, they must help the exporter. They must, in fact, be prepared, under the exceptional conditions, to treat the exporter exactly as the exporter treats the indentor—namely, wait for their money till sufficient time has elapsed. They would find an exporter only too eager to come to some arrangement by which he can help the manufacturer to capture trade (it is what he exists for). But trade cannot be increased without expenditure of capital, and it is not fair to require the exporter to find it all in a time of stress. So long as they pursue this policy,

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manufacturers will not increase their trade, for the simple reason that the exporter's capital is reduced, not increased

Of course this country must make sure that it has a sufficiency of what it requires during war time, but our colonies also want the goods. Let us not forget that the colonies will have them, if they cannot be got from England, they will be got from elsewhere. The whole problem simply bristles with difficulties, and there is a great deal of trade being captured. But I cannot help observing that we are *talking* a great deal about it, and I cannot also help seeing that America and Holland and Japan are *doing* it.

## CHAPTER VII

### CONTRABAND

THE matter of contraband is and must be a difficult one, and we must bow to the inevitable. But, the position, anyhow in respect of such goods of which we can spare plenty for export, if the restriction is only to avoid their going to the enemy, seems to be that better facilities should be granted for easy handling.

I have even bought, and paid for, in the morning some merchandise, and at large extra expense got it alongside a steamer closing the same day, only to have it stopped owing to a sudden declaration that made it contraband. Again, I have had my licences, but the particular ship did not sail to date, or shut the goods out, the licences expired, and I had to get fresh licences for the same goods.

I do venture a suggestion in this case. What is wanted is, when application is made to permit shipment on any form the War Trade Authorities like, that the application should be there and then marked approved or rejected, or licence not necessary, as the case may be, much as the Customs accepts or rejects a shipping bill.

In a great number of cases, it is on the presentation of the shipping bill at the Custom House that we learn of goods being contraband or doubtful, the shipping bill being rejected with instructions to apply for licence. • Labour is quite as important in clerical work as in manufacturing, and as applied to the machinery manipulating this country's business, there seems to be good scope for reducing this in almost every branch.

of the shipping trade But this contraband business really seems urgent

To give actual instances, which may help to show how the regulations work, and hence where possibly there is an easy remedy One steamer shut out goods of about twenty different marks, among them a large number of cases full of various goods collected at the packers One case, originally ordered to the docks in July, and paid for August 9th, was shut out of the August steamer I hoped that it would have then gone by the September vessel It was full of absolutely nothing but the usual chemicals, plates, mounts, cameras, etc., for a photographer I exhibited the actual invoice, and the specification was duly passed at the Customs, but there seems to have been an examining fit on at the docks, the case was opened, and the tin lining destroyed, to see if a squeegee (gross value 2s) was india-rubber or contraband That was passed, but three little lots of chemicals were found that were contraband When ordering I had specially instructed suppliers to omit anything contraband

Of course I admit the apparent stupidity of packing contraband goods with others, but it is hardly reasonable to expect the exporter to know what is contraband when even the Customs authorities do not.

So the position is that the indenter must consider himself lucky if he gets the case at all or in much less than a year from the date of his order, and I dread his report as to what is found broken in the case The case is not shipped yet, but I have again applied for another licence, the old one being time-expired

I have, as I write this, lying in the docks cases which contain, among other things, very small items which prevent shipment, which the Customs had passed, but which the authorities at the docks thought were

possibly contraband After a very long interval, and in fact within six hours after one steamer had sailed, I received my formal answer that no licence was required.

However, do not let me be vague, but allow me to give chapter and verse without comment At the docks, among other items, two cases were stopped, each having two gross boot laces, the authorities at the docks not being sure if they were contraband or not On applications for licences so as to ship, after a considerable delay I received

W T D 447,757 W O I—a licence to ship two gross boot laces

W T D 48,930 M—an intimation that boot laces may be shipped without licence

Similarly lawn-tennis bats passed all right, but

W T D 387,785—is a licence for shipment of tennis racket gut, weight 3 oz net

In a shipment of urgent drugs there were some eighteen bottles of quinine bisulphide tabloids, 1,100 gr only The licence came too late to catch any ship, and there was no expectation of another steamer for well over a month (if then)

However, having got my licences it seemed a simple matter then to get small items off by parcel post Oh, dear, no ! Parcel refused, I must get the licences altered, as they had been applied for on the wrong form

The form now used appears to be

340 W T 31,390/325 100,000 10/15 D D & L  
whereas I used

T 823 W T 44,249 100,000 2/15 Sir J C & S

I give these numbers in case anyone may like to check what he is using (beyond these I find no special distinguishing number as is usually given on Government papers of this sort)

On the 6th December I received my licences, dated .November 30th. W T D. 581781c.

3 oz net (114 yards) tennis racket gut in one parcel, the said goods to be sent only to the National Bank of India for on or about November 30th

And the licence for the quinine bisulphide portion of the pills was in the same strict terms

How the National Bank of India appreciate such consignments and the necessary drafts, invoices, etc , is not my business I must act according to law

However, more difficulties As some of the tabloids, and parts of the quinine ones are not contraband, the Post Office official tells me it is by no means sure they will be allowed to go

Two further instances of the complications that can arise are before me at this moment

The Chiswick Polish Co Ltd Invoice October 5th, case contains tins Cherry Blossom

John Gosnell & Co Invoice October 16th, case contains Cherry Blossom Powder

Both these cases have already been shut out of three steamers, and as I write this are in the docks A card from the Port of London Authority now demands particulars of the ingredients

There is nothing on these invoices to show that one is a powder for the face, and the other a polish for the heels, but both imply something connected with Cherry Blossoms, which are not ordinary articles of export from this country, and not unnaturally contraband searchers want to know what is being smuggled through under this name

A special danger is that the former might be a metal polish, and if so I must declare the flash point, and probably have to obtain special permits to ship, when I can find a steamer that will take it.

Now I learn that Cherry Blossom as boot blacking may have in it 1 per cent of aniline dye, it is therefore contraband

I am informed by the other maker that Cherry Blossom Powder "is of course a toilet article" Why the "of course"? And what is and what is not a toilet article?

However, to keep to the contraband side of the question, here are two cases for which the Customs have passed, and have had cancelled, three shipping bills, but the shipping bills are rejected on the fourth application

For one case I was instructed at the Custom House (the Lobby) to apply for a Privy Council licence to ship about a pennyworth of dye used in manufacture, which, of course, I did, and I received from the War Trade Department information that the goods may be shipped without licence

As for the other case, if the Government ask for ingredients, to answer "Toilet article of course" is, to put it mildly, a childish form of cross questions and crooked answers

Toilet articles and photographic sundries are about equally troublesome to export Let any one of us look at a lady's toilet table A silver card-case, silver-backed brushes, silver looking-glass, etc, must be classed as bullion and declared Eau-de-Cologne is dutiable and highly inflammable, an aluminum matchbox is absolute contraband, celluloid fittings are inflammable and dangerous cargo, tooth powder (carbolic), Customs frightened and at first refused to pass it Hair-pins, iron bars wrought, unenumerated, no hematite iron in their composition guaranteed

Sulphuric acid is being shipped regularly, and I have licences on hand for shipment now, I wish to



ship some more by every possible opportunity and as much as each steamer will reasonably carry To my horror I received

W T D 584,498 C , dated December 22nd, 1915

" Your application of December 7th for the issue of a licence for the export of 20 cwts sulphuric acid to Mombasa has not been acceded to "

It took, therefore, a fortnight to decide this, and the reason I do not know Others are shipping exactly the same, and I do not see why I should be so heavily punished

Expecting a licence, my soda bicarb machinery, essences, bottles, etc , are already shipped, and are so much waste to my soda water makers, unless they or I can get sulphuric acid elsewhere

On the face of it, it seems hardly the usual course for a British Government department to favour some exporters more than others, and why I am to be prevented from keeping my indentors' factories going, while others can supply what I cannot, I simply cannot explain to them, or to anyone else

There may be an answer to this, and probably it is to the effect that Government themselves want all we can manufacture for high explosives, and licences enough have been issued We must allow this point certainly But who is responsible for our not being able to produce in sufficient quantities? And I for one answer unhesitatingly, that lately our regulations and restrictions have driven much of the trade from England to Hamburg, and now a sudden call comes, our manufacturers are not able to meet it

Now comes an awkward question Who should get the licence, the manufacturer or the exporter? Allow I have bought the acid f o b , am I to be called upon to pay for it, as obviously the manufacturer

cannot comply with his contract because I am refused a licence, or can I claim from him because he cannot ship?

As matters stand now I may export a violin, but the fiddle strings are contraband

Incandescent lamps may be shipped, but part of the material used in the mantle film is contraband

One matter, however, might be looked into, and no doubt this point could be verified if checked against the department's postage register

A notice that licence is not required is posted about four days after it is issued, but a licence about a week after

A question I should like to ask is, When should a licence be applied for? Before goods are bought or after? The expiry of a licence in six weeks is a fatal objection, especially for a destination like East Africa, to which ships from London are rare articles, and when we have one she only takes a mere fraction of the London cargo

Taking as an instance my case of chemicals sent to the docks in July, it is still in the docks, and when it will be shipped I do not know. As licences expire I must keep applying for fresh ones until I am lucky enough to get shipment and licence to work together, by no means an easy task in London, where ships load in different docks, and a request to the Port Authority to transfer a case is kept a fortnight and then answered by permission being given to send a van and the case will be delivered up

I must not criticize the action of any Government department, but according to, say, the *Standard* (November 18th, 1915), the blame thrown on us is hardly fair. It is probably quite true that there is "carelessness in filling up forms, on the part of the

applicant," but has any applicant the means in a commercial way to pay for clerical work at the rate of 700 employees to pass 2,000 applications per day? As to the assertion that the commercial man "thinks only of his one application," I would respectfully beg to offer a parcel of time-expired licences, chiefly for the most trivial items, I admit, some of which I have had to apply for again and again, because there were no available ships to carry the goods, or they were short shipped

Certain items are as important, figuratively, as the hair-spring of a watch, and many items must be regularly supplied, especially to exceptionally severe climates

For instance, take something that appeals to all of us, the photographer's business. Especially in the tropics certain chemicals will not keep. Even now, according to the *Standard*, the desirability of granting permits for a "clockwork" supply is decided against, but what are we to do for these chemicals dealt in by the gramme and wanted monthly?

One question should be borne in mind. Which of the contraband goods are we driving the trade out of English hands for ever? Take saccharin. Just before the war I made a contract for a year's shipments. The contractor says I cannot now execute from London because it is contraband. *Ergo*, it must go from Switzerland in lots convenient for Parcel Post. (Where does Switzerland get it?)

I unhesitatingly admit that for fair-sized shipments the contraband requirements should not press so hard on those engaged on them. A coal exporter should have all necessary information at his fingers' ends, so should each manufacturer in his own special trade, and I am not going to suppose that originally contra-

band was intended to extend to 3 oz of catgut, or two gross boot laces, or a fiddle string, but it does, and that, is just all about it

Another very serious point arises. A shipment of a contraband article has to be, as it were, booked through to its actual consignee, and all bills of lading and documents must show this. This absolutely upset all our habits and requirements, and our drafts on the consignees, as negotiable documents, were so much waste paper, as far as the bank was concerned, and no blame to the bank either. The usual bill of lading "to order" represents tangible property that the bank can in case of emergency sell or dispose of, but goods that must go to one particular man only are anything but a good security. The result can be readily imagined when a draft for over £200 was refused negotiation, because the value of the bill of lading was vitiated for—two gross boot laces.

The following shows perhaps more than anything the amount of costly labour expended on the most trivial items. It is not surprising that manufacturing chemists throw the onus of shipment on to the exporter, admitting they do not know what is contraband and what is not.

Here again previous shipping bills had been passed, but I applied for and received

No W T D 587,464 C, which grants leave to export on or about 1st February, 1916

			s	d
4 ozs	Chlor of Calcium ..	value	3	3
3 ozs	Rodinal . . .	"	1	4
11b	Caustic Soda Sticks .	"	1	8
1 lb	Soda Bicarb	"	0	7
7 lbs	Soda Carbonate	"	2	7
7 lbs	Soda Sulphite	"	3	3
2 lbs	Soda Sulphite .. ..	"	6	0

		s	d
2 ozs	Uranium Nitrate	value 3	9
2 ozs	Silver Nitrate	„ 4	1
2 lbs	Pot Oxalate	„ 2	2
8 ozs	Schippes Salts	„ 1	6
3 ozs	Amidol	„ 7	6
28 lbs	Hypo	„ 11	6
$\frac{1}{2}$ lb	Ferio Sulphite	„ 0	6

It is very doubtful if there will be an available steamer in February at all, and if there is one she will probably shut the goods out, in which case another licence will have to be applied for

In this case I was instructed to procure a licence to ship from London 1 lb caustic soda, while my application to ship caustic soda by the ton from Liverpool is answered by W T D 588,684 C.

“ These goods may be shipped to the port named without licence ”

This is the position now as clearly as I can get it

It is an offence “ to bring prohibited goods to any quay or other place to be shipped unless the exportation of such goods has been authorized by a Privy Council licence ”

The penalty was increased by “ Section 2 of the Customs (Exportation Restriction) Act, 1915, to £500 or imprisonment with or without hard labour for two years ”

(Mark no “ not exceeding £500 ”) So, of my four gross boot laces, I am free for two gross, but for the other two I might be liable for either £500 or two years

I have no hesitation in saying that one of the greatest reliefs that could be given to exporters, would be met by curbing the power of the Customs to fine for the most trivial error or omission in complying with their exacting demands as to specifications, etc I am certain (and I rarely use this word) there is

hardly an exporter in London who has varied goods to handle, but has felt this and has not been fined.

I believe this to be quite illegal. But are they going to fine for contraband errors?

The sudden declaration that goods are made contraband is often exceptionally severe on the exporter. As an instance, I suddenly read in the newspapers that aluminium in any shape or form is made absolute contraband. Now, how is the exporter to act? Aluminium goods are expensive. Parcels such as are wanted now for our settlers, troops on the spot and expected, in East Africa, are made up; the manufacturer wants the money, the indenter wants the goods. As for the indenter, he can, to some extent, be quieted for a time by procuring the best substitute for his patterns by cable and shipment from New York. But what is the exporter to do with the goods thus thrown on his hands? Even aluminium fittings are absolute contraband. Such a prohibition would seem to be more far-reaching than could possibly have been expected. Still, there is the law and we must act on it—if we can!

The position of the exporter is an awkward one. There is a regulation by which proprietary articles can be “generally” covered, but few seem to know of it, or care. The proprietors usually want prompt cash, and leave the exporters to take care of themselves.

As the law stands the goods go to the docks on the exporter's shipping note, and thus he is responsible. If so, and penalties run consecutively, I for one must be liable for at least £20,000, or 80 years' imprisonment, and, to the best of my belief, certainly not 40s worth of contraband goods have slipped through my fingers. (See Appendix VI.)

## CHAPTER VIII

### THE INDIAN IN AFRICA

THE Indian is a gentleman whom, for many reasons, I hold in high esteem, generally speaking. He is not ashamed of his religion, nor of his business or trade, and I believe the honest Indian has an equal respect for the honest Englishman.

His social position is one of isolation, and we know little or nothing of his women folk, and what he sees of ours is not always to our particular credit. To see English women in a Mohammedan country at a public bar chaffing and even drinking with strangers, and to his mind half naked, as a low evening dress appears to him, is worse than indecent.

That his ways are not our ways is only natural. His feeding arrangements are in accord with the Koran's teaching, and his business, next to his religion, is his aim and object in life. As far as we Englishmen can see, he is British to the backbone, quiet, unassuming in his general bearing, a hard nut to drive a bargain with, and economical as the proverbial Scotchman in business, but outside that, liberal to a degree in his presents to those with whom he has done business. He can be wildly extravagant over anything like a wedding, and as for subscriptions and donations to anything of a religious nature, he will more than half ruin himself.

As a citizen he is about the best payer of rates and taxes, and he does it without a murmur, although knowing full well that in a case of road repairing, lighting, scavenging, etc., his white neighbour is better attended to than he is.

Although even the better class merchant is as close-fisted as it is possible to be, once a bargain is struck it is adhered to with a Jewish tenacity. Litigation he loves, and if there is a loophole in a contract he will take advantage of it, and spare no expense on the law to recover his rights, even if the cost is more than the whole value of the deal. The slightest attempt at an over-charge is fatal, and any glaring mistake of this sort is all over the bazaar in a time incredible to an Englishman.

The Indian was a trader, and an able one, when we English were dressed in woad and wore stone hatchets, and the "hundi" system was established long, long before a bill of exchange was ever written. It is said that an Indian was the first to discover the Victoria Nyanza.

As a trader he works on a margin of profit that would be ruin to the ordinary Britisher, hence he is hated by the thousands of petty traders who simply cannot earn a living beside him. The average British trader, of the pioneer class especially, knows practically nothing of the value of money as a medium rapidly turned over again and again, each time with an infinitesimal profit, he may buy an article and sell it in a week, a month, or a year, and he is satisfied with a profit. But the Indian, given his article at ninety days D/A, will sell it perhaps on the spot at an apparent loss, for cash. He uses that cash, perhaps turns it over five times, withdraws the draft at maturity with a smile, and sends for more goods. A master man in finance, he uses a fair opening for "deals."

The Indian works on the narrowest margin, but profit, however small, he must see on each transaction. It is almost proverbial that an Indian will buy a case of matches, retail the boxes of matches at cost price,



then sell off or peddle the tin lining in which they were packed, and be satisfied with that for a profit. In fact, it has been said he will almost skin fleas to get the fat to make soap with.

It was only necessary to walk about Nairobi and see in the main streets, week in, week out, empty cases ornamenting the frontages of English and even Scotch shops. Then look for the same in the bazaar!

The influence of the Indian must be felt even if it is not appreciated in East Africa. Hated he naturally must be by the "poor white" traders, who cannot realize swift and large profits against such competition, and who often are the veriest babies in financing their own affairs.

Anyhow, the Indian was a pioneer, and when the English came, British East Africa was a cheap country to live in, compared with Delagoa Bay, Natal, etc., where the Indians had anything but a kindly reception.

To an Indian, the boundaries between British, Belgian, German, or Portuguese territory are, or were, no very serious matter. He might have several shops in each, without any apparent hesitation. He just accepted without demur the laws of each land, and regulated his trade accordingly.

Of course the war has hit him hard. An Indian in Mombasa whose main business was, say, at Bukoba, cannot now communicate or receive his money. This hurts him. He cannot withdraw his London buyers' drafts, and the considerate London exporter under the circumstances does not like to take drastic action and ruin the man, although some British suppliers have been ready enough to bring legal pressure to bear.

The position of the Indian differs a good deal in the different countries of East Africa. When Ger-

many acquired her territory there, only Bagamoyo was anything at all, and this place was the starting-point best adapted in every way for inland expeditions, whether scientific, exploring, slave trading, etc. Dar-es-Salaam, a splendid natural harbour, was a little fishing village. At the outbreak of war, it had developed into a really splendid, wholesome city, with broad streets, fine shops and buildings, and public gardens. The Indian quarters were clearly defined, where they could build their houses and shops, dig their wells, etc. Tanga was built on the same plan, and the Indian struck home, and proved a useful citizen.

Zanzibar was, and is still, exactly the opposite—mean, close, stuffy streets (lanes really), with English residences and Swahili huts, all mixed up so that the smell of a nigger's cooking enters the white man's dining-room or bedroom, nor could matters be amended except at prohibitive expense. The Indian made himself quite at home in Zanzibar, the shrewd speculative commercial financier went with the times. The wealthy Arab, ruined by the abolition of the slave trade, fast dwindled into comparative insignificance, while the Indian first of all financed him, to clean his shamba, to keep labour going, even to pick his cloves, but bit by bit, and shamba by shamba, the Indian gradually came to own the plantations, *vice* the Arab resigned. In German Africa the Indian can and does own his gardens and plantations, and severely he felt it when the boom in rubber fizzled out.

Of the Indians some are master men undoubtedly, but to the majority Bombay is home, much as the English colonial talks of England as home, even if they have never seen it, though there are not many who have not. Very many are financed by firms whose head-

quarters are in Bombay, so that at times it is difficult to know to what extent an African Indian is "good"

The Indian is there anyhow. We accept him as a merchant, shopkeeper or pedlar, and neighbour, and whether we regulate him according to present views locally, or give him the monopoly of trade in a country as big as German East Africa, the future must show.

I venture to allow myself to think that the status of the lower classes among British Indians should be taken into consideration, and at once. For the better class, and for the Goanese, no special steps seem to be needed. The Germans thought it necessary to legislate for him, and I am sure the better class among them would like to see the disgraceful scandal that the terrible amount of bankruptcy has become, stopped, and with a very firm hand.

Naturally, we cannot expect the high-handed and prompt justice as meted out in the days of the old Sultanate, and "take him away and off with his head" is not to be thought of, but we can apparently go to other extremes. When it comes to hopeless insolvency with not 5 per cent paid to the creditors, and when the insolvent immediately restarts business in the name of his infant son, then I think that there is something rotten in the State of Denmark, where such things exist.

How the British Indian and his merchandise is being treated now in German East Africa is a matter that I am not supposed to know, and as I have not a scrap of written evidence of any sort, particulars must be taken with as big a grain of salt as is palatable.

Dar-es-Salaam having been swept clean and little left but a spire or so standing, all merchandise the Germans wanted has been commandeered, mostly

taken to Tabora, and receipts given for it to be met after the war. The Indian is not interfered with, he may continue to trade, but he quite understands that if any attempt to correspond with the enemy were found out, the Germans would not waste any unnecessary time in placing his back to the wall.

If a native turns up with arms of any sort he is relieved of the trouble of carrying them, and he may go back and tell what he likes of what he has been allowed to see. It is more than probable that native has been impressed with the strength of the Germans and of their preparations at Tabora, the present capital.

To a considerable extent the war has brought home to us the true character of the Indian and his value to this country. Those in East Africa (with a few exceptions, of course) have in their quiet unobtrusive way come forward with their gifts, subscriptions, steamers—indeed, all of their worldly possessions they could offer—and the prayer as cabled by the Ismail Khojas meant far more than most of us can properly appreciate.

## CHAPTER IX

### COMBINATION

THIS is as thoroughly acted on by Germans as it seems to be shunned by British exporters

Never, during the life of any of us, has its necessity been more apparent than now, especially in our dealings with such a country as East Africa. Now is the moment to take, and subsequently to hold, the business with our own colonies that we have gradually allowed foreigners, especially Germans, to command

We are indeed at sixes and sevens—jealous of each other, mutually suspicious, anxious for business, often at each other's throats. There is business enough, and to spare, for all worthy of it, but we are not working in harmony either to the advantage of our country or ourselves. Very much the reverse.

Excepting, of course, the home representatives of a few houses, most of our business is carried on in a manner dangerous to the indentor, the exporter, and the manufacturer.

Our sources of useful information, which should be carefully husbanded and trained into one powerful British stream, are tapped at the source, or anyhow hidden under the finder's own bushel. Such information as is obtainable at present is quite inadequate for the safe transaction of business.

We in England, in nine instances out of ten, execute a demand from Africa utterly regardless of what may fairly be called proper commercial precautions, simply for the reason that we are too proud, too reserved, or too suspicious of the reception we would receive if we ventured to question one another.

## ASCERTAINING AN INDENTOR'S STANDING 93

An Englishman's first precaution on opening correspondence naturally seems to make inquiries at the bank that is established or has branches in the district

The bank generally knows a firm or man's social and financial status, which undoubtedly is something, but not half enough. The bank must not divulge details, the most important at times for the exporter to know, any more than it would the balance in hand of an English customer. The bank, for instance, cannot say So and so has plenty of money, but he is notorious for litigation, he will dispute each account, he has so many dishonoured drafts outstanding, he is in correspondence with a dozen other firms, etc

Such information ought to be readily obtainable, and would be, were there any combination among those interested

East Africa just now is particularly dangerous because Indian indentors have never had any firm hand over them in British territory as was the case under German rule. In Zanzibar the failure of an Indian is certainly noted in the *Gazette*, but so common is the occurrence that little notice seems to be taken. Many traders have become absolutely callous, and have no feeling of disgrace

In East Africa business is divided among so many people of various religious sects, and even languages, that the ordinary precautions that are good enough for a white man's country are simply useless, unless full particulars of the customer's habits and sect are known, and even this is not always enough.

Of one section of the community it was a saying at one time, that there never was a dishonoured draft. Of another, that if one man failed to meet his liabilities

his co-sectarians would each subscribe to pay even the Christian Englishman, if that Englishman found favour with them

I regret, however, to say that, in some sects, a failure falls so lightly that it is freely referred to, and the defaulter would not hesitate to restart business in the name of his son, perhaps a child in arms

I have before me now a letter from a writer who is heavily in arrears. In it he admits that he has dishonoured drafts to the extent of 4,500 rupees to a firm who still continue business with him, and expresses surprise that others will not undertake to buy and ship for him

Such circumstances could hardly be divulged by the bank. A banker is expected to be as reticent as a solicitor about his clients, but habits of men of the class to which I refer should be common knowledge among, say, exporters in the Zanzibar trade, and so I suggest there should be some combination among them, if only for mutual support and protection

There are many other advantages in combination. A combined purchase is often better made than an individual one, and where there are rebates on a total annual account, money enough could thus be saved to the various exporters, even after the earnings made by the mutual centre, which might be made self-supporting

As no two men can reckon on paying the same amount for similar goods (and it certainly looks as though something was wrong when two men ship similar goods at the same time at different prices), a central exchange could make records for its members of prices and sources of supply, in short, the deals should be shown much as the Stock Exchange quotes its transactions

There is nothing to prevent, indeed I may say stop the continuance of, an Indian indenter, or a London agent, getting all he can out of one exporter (or six exporters) and before his drafts are withdrawn going further afield and obtaining more credit

Of late years an exceedingly dangerous element has sprung into existence and matured Agents, or agents' agents, enter the country, possibly with the best intentions, and collect orders, chiefly retail, taking no risk of any sort or kind themselves, and often for five times as much as a district can possibly consume of an article within reasonable time. They will go from shop to shop, never mentioning that they have already secured large orders for exactly similar articles. The orders come to England, where the head of the agency is perhaps equally careful to distribute the indents among various exporters. Consequently the goods arrive practically simultaneously and are a drug in the market. The result can be imagined, and the loss falls on the exporter, while the agent safely pockets his commission. Often his indenter thinks his buyer knows of the supplies going to others and expects him to act accordingly.

Many Indians (and English too for that matter) often fail to realize the cost of the indents they give, and many think that with ninety days D/A terms it is all quite safe, as they can realize on the goods, but when the day of reckoning arrives, they find themselves still with stock and short of cash.

I can show, now, indents for some £1,000 from a man who has dishonoured drafts nearly two years old, yet the agent takes his indents and gets them confirmed.

I can show another indenter's letter instructing shipment to be made in parcels not exceeding £50, and a later one from him expressing surprise when shown



that he had indented for quite £1,000 in addition to his ordinary consumption

An uncomfortable position could be remedied where the exporter finds the manufacturer trading direct with his clients on better terms for his client than he gives the exporter

It thus seems obvious no time should be lost in establishing combination in some shape or form, among our birds of a feather, in our East African trade

The new organization might be called by any name, and limited like a most exclusive club It should be fully equipped with all such information as the following

The manufacturers engaged in the trade  
Every information as to local merchants  
Rough particulars of all important indents received.  
How and when such are handled  
Current reports as to travellers and agents on the spot

A buying and distributing department

If, after a few months, this was found to be working satisfactorily, a further step could be made in the direction of pooling doubtful indents, if it were necessary that they should be executed for the good of ourselves or our country Mutual insurance of business, much on the lines of an East Coast Shipping Club, could also be made a feature

## CHAPTER X

### CATALOGUES, SAMPLES, PRICE LISTS, AND INVOICES

CATALOGUES, samples and prices are the working tools of the exporter, and his stock-in-trade, the invoices are the final varnish or French polish

While catalogues and prices are, as at present, in what may be called a transition stage, it seems the very time of times to attend to them

A great amount has been said and written about them, from the British Consul's, and the manufacturers' point of view, but little from the export trader's, and still less that of his clerks

The most noticeable remarks that have been repeated from our Consuls are to the effect that catalogues should be in the language, and according to the weights and measures of the country. This would not be of much use to East Africa, where weights, measures, and money are not the same over any one district.

The *frasla* as a measure of weight is not the same in Zanzibar as in Mombasa, while as to its measure of capacity, a bowl to contain a reputed *frasla* may depend for its size on the local lathe's capability for its manufacture

Until quite recently in Zanzibar, the official quotation for, say, cloves was in dollars, rupees and pice. The dollar fluctuated with the price of silver, while there might be sixty or there might be eighty pice to the rupee, although nominally there are sixty-four. The local trade in pice was considerable, and the demand and supply of even a single day would affect the rate of exchange.

Zanzibar business being much involved with German Africa, a further complication arose, as the British rupee was not of the same value as the German

British Africa suddenly changed from rupees and annas to rupees and cents

Until weights, measures, and coinage are standardized for the whole district, it is hardly to be expected that expensive catalogues can be issued

As for the wholesale Indian merchant, not many are to be found who cannot transfer in their minds sterling, francs, marks, etc., into their own equivalent, and calculate the rate of exchange

Apparently what is wanted is a catalogue with every unnecessary word eliminated, retaining where possible pictures and prices, and price lists, which are neither more or less than vocabularies with prices clearly shown

Such price lists as are issued by, say, the Army and Navy Stores, Rylands and Sons, Cooper Pegler, etc., are most useful for the shopkeeper and small trader, and such lists as the Manufacturers' Prices Current for the merchants. Where the more unadorned circular is issued, this should be only in the plainest of language and the fullest of prices. Samples should be priced in full, as a mass of figures only is exceedingly misleading

The pricing, too, leaves much to be desired. Three figures separated by two short lines no doubt tells an Englishman that we are working in £ s d., but to a foreigner 10/6 might mean anything

For East Africa we want catalogues that show the wording to be used in indenting and the prices clearly in £ s d per yard, foot, pound, or ton, or whatever it is

Manchester especially will often give a splendid range of samples, but the prices are absolutely unintelligible, except to those in the trade, and to those in England at that

Indian merchants again and again have sent to ask what " $7\frac{1}{2}$ —9—11 $\frac{3}{4}$ ," etc, means Are they pounds, shillings and pence, marks, or what? Does  $7\frac{1}{2}$  mean  $7\frac{1}{2}$  rupees per bale, or is it 7/6 per piece or  $7\frac{1}{2}$ d per yard? Hundreds of our English suppliers price their goods as though the whole world centred its views on their particular trade and local idiosyncrasies

The Woolwich Vocabulary, I believe, originated from the necessity of getting the storekeepers abroad to use wording exactly and promptly understood at the distributing depot

"Instrument musical—stick drum one—6d" certainly seems a queer way of expressing itself, but it clearly shows that one drum stick is wanted, and the price assists in discerning the class of drum stick

Many British catalogues are full of useless and misleading "patter," and are simply abominations The mistakes they often cause really are comic, to say nothing of the serious loss and inconvenience.

A few actual cases will illustrate this

An indent came to hand for "Lines," and the accompanying letter specially referred to the urgency of the Lines so highly recommended It was months before I found out what was wanted, which I did by accident I happened to open a catalogue and saw staring me in the face, "The following highly recommended Lines" It referred to boots!

Boot-makers have a partiality for fine names, and, I admit, certainly want something to classify their goods

A cable for two cases of Oxo was of course properly attended to and shipped, but when the confirming letter arrived it showed the demand was a repeat order for boots, and the wording taken from the old invoice, which included Oxos, Balmorals, Courts, etc

I myself saw in Zanzibar a large parcel of ladies'

stays, certainly twenty times the amount all the European ladies could possibly take, in the hands of a hardware merchant. What the man wanted was lattice or casement stays. Had he sent his catalogue or a picture out of it, no doubt he would have been understood.

British invoices often are simply awful, especially where words are clipped, and more especially where things are called by fancy names. The wording of an invoice should be the same as in the indent.

There is many a slip between the cup and the lip, and between suppliers and consignees there are many hands through whom invoices have to pass. For months I had a case held up in German Africa, as the consignee would not accept it, Customs would not pass it. Beeswax is an important dutiable article. "Honeycombs," as per invoice, were really towels in actual life.

I have an instance before me now. In June, 1914, I shipped a case containing among other items, as per invoice, ivory squares. That ivory was being looked for very closely, as ships naturally want an *ad valorem* freight on ivory. The case is still in durance vile, but I learn from the suppliers, who evidently look upon me as a fool for not knowing the business, and do not mind telling me so, *re* "Ivory squares—these are lace curtains." The case *en route* had to pass through Germany and got as far as Holland. Can we reasonably expect a German or Dutch Custom House clerk to know that ivory squares are lace curtains?

We do not want towels called "honeycombs" without the word towels as well, nor boots simply *Oxo*. We want all the necessary descriptive words, but none of the superfluous eulogistic "charming," "recommended," etc.

## CHAPTER XI

### TRADING WITH THE ENEMY

How to define this, or, anyhow, where to draw the line, I do not know

That trading with the enemy is of daily occurrence must be accepted as a fact, but how much is done knowingly and intentionally, and how much unwittingly, is for the Government to find out and take steps

One instance I have a letter from German Africa; it came, according to postmarks, via Lourenço Marques and Lisbon. Where letters can go, merchandise can

Without any vague talk of shipment to Lisbon (or elsewhere), thence by Portuguese steamers to East Africa, and on, I prefer to take actual facts as they are, and of which I can show documents

The *Adolph Woermann* on the outbreak of war put back and discharged at Rotterdam all her cargo. Among it are parcels such as

Spinner's khaki, originally demanded for clothing German troops,

Central Agency Co's cotton for use with above

Julius Liepmann's white shirting,

F Taylor's white shirting,

besides duck, boots, haberdashery, etc., all of which just now would be uncommonly useful. There is nothing to prevent the acquisition of these goods by a Dutch firm. —

The Dutch firm cannot be trusted not to send these goods promptly to Delagoa Bay or Mozambique, and the ultimate destination is obvious, as the marking

would show who were the original indentors. If necessary, there would be no difficulty in altering the marks, and a British man-of-war, if she met and searched a steamer that carried them, would find her manifest and papers all in order. Yet we shall say we have blockaded German Africa.

If such is not blockade-running up to date, I should be glad to know what is! But, is the original English shipper in any way trading with the enemy if he cannot prevent the Dutch firm from doing this?

Again, an English firm may receive an indent from German Africa. If not too scrupulous, it is a perfectly simple matter to hand it over to a Dutch or American firm, and wash one's hands of it. Is this trading with the enemy or not?

As shown elsewhere, it is perfectly open to us to purchase and ship Dutch cottons dyed with German colouring, but it is illegal for us to purchase those dyes.

Even our English steamers openly advertise that they call at Lisbon so that our English manufactures may be naturalized as Portuguese. Formerly, no doubt, this did not matter, but now Portuguese territory adjoins German, the back door of German Africa is wide open, however much we blockade the coast.

Presumably we cannot stop America from sending a steamer full of ammunition and provisions, with all her papers in order, to, say, Beira, and if, quite by accident, that steamer is passed at sea and mistaken for a cruiser, with her four funnels (though she started with one), and she meets with an unfortunate accident and runs aground, and is broken up at Tanga, we say nothing.

The German firms were, and no doubt are, considerable holders of sole or special agencies for all East Africa, especially of Dutch goods such as tobacco,

blankets, cottons, and others that were of any importance. Such agencies imply either that the sale is restricted to the firm, or that a royalty is paid on whatever shipment is made to the district through any exporter. Many English firms had tied themselves in this way to German firms. It is fair to assume the war has not cancelled all the agreements, anyhow between Holland and Germany. Practically, therefore, a share of the manufacturer's profits belongs to these German firms.

Thus an English firm purchases and ships from Holland, say, fifty cases of tobacco to British East Africa. The royalty on that goes to the German sole agent.

In this indirect way we must now be earning a very appreciable sum for the Germans, not only for continental shipments, but for English, the manufacturers of which, at the end of the war, will have to pay the royalty for goods shipped during it.

That even now, through Dutch houses, the Germans are paying English houses, I have good reason for believing, probably also *vice versa*, but naturally I have no written evidence I can bring forward.

I did bring these facts to the notice of a firm of ship-owners, but they demanded proof. This I disclaim, as not being in my province. I did, however, show a Dutch letter naming the firm to whom their tobacco in question was tied, but naturally the shipowners could only act on the consular certificate of origin.

Some businesses in Holland may be, and are, quite as much the property of Germans, as in this country the Continental Tyre Co. Great Britain Limited is Hanoverian.

That trade in goods of German manufacture is almost as easy as ever it was is an absolute certainty.



It is true that the goods have to come via New York, or elsewhere, and are often offered (not in writing) after a month's delay to allow for this

If the Government, or anyone else, likes to put two and two together, probably it, or they, would learn the utter uselessness of the law to stop it, and the farce of a certificate of origin, a misnomer for certificate of supply

Here is a fact

Just before war broke out the *Rhenania* took large parcels of cloves at Zanzibar for Hamburg

She discharged at Naples, and nearly all her cargo was sent to Germany by rail

Germany is still not at war with Italy, presumably she can send goods to Naples

What steps are being taken towards preventing our English steamers from shutting out British goods in order to reserve space for Lisbon and Neapolitan shipments of nationalized or any other cargo?

I have asked many people their views on trading with the enemy, and I am sorry to say that almost, if not all, without exception, pointed to what our own Government was doing

The general impression as far as I have been able to gather is, that our Government, perhaps unwittingly, is of the greatest assistance possible to German interests, and that even now they are sending men from England to take over the books, etc., of German firms, and collect what is due to them. In fact, the strongest feeling is that the Government, if not trading with, is distinctly trading for alien firms

The indignation at the decision in the *Continental Tyre* case was pronounced and bitter. Article after article appeared in the newspapers, even Lord Justice Lindley's name was to the fore in advocating that

## GOVERNMENT COLLECTS GERMAN DEBTS 105

something should be done promptly This was during 1914 We are now in 1916 What has been done?

Now what have the Government done in East Africa?

The following appears in the *Zanzibar Gazette*<sup>a</sup>

\* General Notice No 524 of the 22nd November, 1915

All persons having claims against the enemy firms in liquidation, set out in the schedule hereto, are requested to furnish full particulars of same, if they have not already done so, on or before 30th November, 1915, to the Liquidators, and further notice that all persons indebted to the said firms are required to discharge same on or before the said 30th November

JAS CORBETT DAVIS,

W M KEATINGE,

*Liquidators*

But letters arrived in England before the newspapers, informing us that merchants had received even more peremptory demands, worded as follows

Zanzibar Government

Enemy firms in liquidation

Re Wm O'swald & Co in liquidation

Zanzibar, 28th day of October, 1915

Sir,—Take notice that on examination of the books of the above firm we find you are indebted to them in the sum of Rs            and payment of the same is required within seven days from the date hereof, failing which proceedings will be taken against you for its recovery

We are,

Your obedient servants,

JAS CORBETT DAVIS,

WM KEATINGE

If the traders in Zanzibar were left alone, or at any rate if they were merely called upon to show their debit and credit accounts, in short if they had been under Government supervision, as in German Africa, there could be no necessity for any action, unless perhaps to adjust debits and credits and let the money remain in circulation For the Government to act as debt collectors for the Germans makes it useless to hope that our drafts

can possibly be met, or our bills paid, especially when a seven day payment is enforced in a country where ninety days is practically universal and extended credit expected

Not only that, but it must be borne in mind that Zanzibar is a distributing centre, it is tucked in German East Africa much as the Channel Islands are in France. An enormous amount of money is owing to Zanzibar merchants from German land, and a large amount of the merchants' purchases they are now called upon to pay for are "eating their heads off" with go-down charges for rent, insurance, etc., in Zanzibar, or are in German territory.

We talk about capturing the enemy's trade—waste words. The enemy's trade is actually offered to us and Holland now, as far as Zanzibar is concerned. No capturing is necessary. Take and keep is what is wanted, but sudden withdrawal of practically all the available current cash in commercial hands must paralyse business.

What we English are to do with our goods ordered, some of them years ago, is a problem. We dare not now send them to Zanzibar, as that means we would not get paid for them. Not to ship means having to pay the manufacturers. Already notices have come home of drafts not retired, and by men of whom even the bank wrote but a few months ago that they were most scrupulous in withdrawing their drafts before maturity.

If the Government is going to act as debt collector for the Germans, it should surely see that English interests are properly safeguarded. It means ruin to our trade as well as Zanzibar's, while it is being kept warm for the Germans after the war.

To instance my point one case will suffice.

X owes me on drafts dated March to July, 1914,

about £1,000 X is in Zanzibar; his goods were sent to Dar-es-Salaam, where his offices are, and as he made no secret of his dealings with German firms the goods he purchased from them must now be in German Africa. Now he has not 50 rupees in hand, and knowing his position, I, perforce, had to wait until the end of the war, thinking my debt was good. But now I must simply write it off as a loss, as I can have no chance of success against Government's first claim.

What is, and what is not, trading with the enemy is beyond my comprehension, and I think I may add, beyond other men's too.

## CHAPTER XII

### FORMS AND SPECIFICATIONS

FEW things handicap the British exporter, especially in London, more than the exacting requirements of the various Government and official departments for specifications, their cancellings, adjustments, and re-passings

The amount of labour involved, the time occupied, and the expenses incurred are hardly realizable to any but those having to do the work, or pay for it

The enormous extra work involved owing to the war evidently is not appreciated, if it were, the recent drastic actions and orders, so lightly issued, would, I feel sure, never have been made

It ought to be borne in mind, even by the departments concerned, that clerical work, and the means of obtaining it, has been, by act of Parliament, taken out of our hands for "enlistment," and yet more work than ever is demanded, most of which falls on the shoulders of the exporter

I allude now chiefly to London, as London is the capital and the shipping port for the immense mass of sundries that make up her cargoes. The distances in London are of much importance, and the positions of the various departments seem to have been taken, as may or may not be suitable for the requirements of the departments, quite regardless of commercial requirements

We find Customs and Contraband are jointly concerned, yet the office of one is in the slums of Billingsgate while the other is in Westminster, and the docks are miles away.

That the Custom House is where it is, we have possibly no cause for complaint—antiquity demands respect, but now, we have to let our clerks join the Army, and employ female labour. I ask anyone who knows shipping work, would any man who has any sense of decency expect a girl in his employ to put up with what we have to endure to get our specifications passed? Is it right to ask any decent young woman to go past Billingsgate market? I admit the possibility of “dodging” this route, but is the alternative via, say, Love Lane or Harp Lane, much better, especially now that public-houses are so long closed, and their habitual customers are outside instead of inside the premises?

To judge of the amount of work, especially the detail work involved, and question the absolute necessity for 75 per cent of it, we must look back and compare the present with the past.

About half a century ago a ship's manifest was its Bible, and to secure a ship's clearance, especially with a varied London cargo, then caused us work lasting sometimes two or even four days, and then a ship's manifest, that she could take with her, was more or less complete and accurate. But now it is not complete.

The formalities relating to dutiable goods are naturally required to be of the strictest accuracy, and I do not think there is so much variation that much comment is necessary, but, for ordinary every day merchandise, the amount of extra work, as new requirements have been demanded, has increased by leaps and bounds, and since the outbreak of war has magnified in inverse ratio to the labour obtainable for performing it.

• Formerly, within seven days after a ship's clearance, the Customs wanted from the exporter merely a specification for non-dutiable articles. • A great many of the specifications were then, and are now, the result of a

smart clerk's fertile imagination, and I do not believe any man in this world, who has varied parcels, could make out his specifications and have them passed without queries, even if they were really accurate

The mere fact of there being so many clerks for Customs work—men who have to attend to that and little else—in itself shows the necessity of specializing where common knowledge should suffice

Matters surely should be so simplified that any one of us could handle his own goods, without having to employ expert labour, a matter of great importance now that our staffs are depleted

Government in making new regulations, or an alteration in those already in force, can hardly realize the sting of the whip to traders. Their employés have to sit at the Receipt of Customs while everything is brought to them, but many a mile has to be covered by clerks in obtaining what is often apparently the most useless information to enable them to get their specifications taken, and this even in peace time

Since the war broke out this work has become so onerous that many goods ready for export have been delayed, and even substitutes bought abroad, as our formalities are so exacting

The heaviest amount of extra work the war is responsible for, is caused by the new regulation by which specifications must be passed before the goods are shipped instead of after, a regulation which is quite right. When these are coupled with either a contra-band licence, or a notice that a licence is not required, and goods are not shut out, well and good

We have had, as shown elsewhere, but few ships, and those ships were so full of Rotterdam and War Department cargo, that practically nearly all London goods were shut out; not only are new licences and

specifications wanted for every attempt at shipment, but the necessary permissions to cancel are required. Only so can those who have to do the work realize what it means.

We now have to pass specifications in London, where they are kept, but the Customs officials at the docks not having them, the information has also to be given to them—in itself an expensive and laborious tax on the exporter.

Allowing that we have our licence and everything in order, and all goes through at the first attempt, we find it necessary

To obtain our licence from Westminster—which may be done by post.

To submit specification or shipping bill in Billingsgate—personal attendance necessary, and an average delay of at least three-quarters of an hour to one hour at each visit.

To secure that everything is in order at the docks—most advisable, often absolutely necessary, to attend personally.

Having obtained bills of lading—another visit to Billingsgate to exhibit them (in many cases) to give proof of destination.

To make out specifications showing Port of London Authority dues, an additional expense to dock charges—an occasional visit to Tower Hill. (See Appendix V)

So much is necessary when a shipment is effected the first time.

As East African steamers load, it may be, at Tilbury, or in the East India Docks, or at the Albert Docks, it costs anything from fifteen to fifty miles of actual travelling to do the necessary business, under the most favourable circumstances.



Such is London, and a terrible handicap it is to traders here

The danger in this rests in the fact that these extra straws—though straw is an inadequate figure—are already severely straining the camel's back, and I fear many of us will have to face facts and give up business.<sup>1</sup>

What confronts us, is the fact that if we cannot hold out, there is the temptation now to sell our businesses to Rotterdam at a fair price, or after the war to Hamburg, if, meanwhile, we can keep going, or transfer ourselves and our businesses, to say, Holland, just as the betting element has gone to Flushing and Switzerland (as the advertisements in the sporting papers show)

This indeed is no bogey. No one can deny that practically the whole of the timber trade by sail between America and Great Britain for many years was carried on under the Norwegian flag. I, for one, am not going to believe that all our ships were actually bought and fully paid for by Norwegians, but certainly the ships were officially sold off our register. For a trifle a nominal owner could be found, and under the ship's name a Norwegian port was painted on her.

As Englishmen, naturally, we want above all to stick to our country, although it is but too evident that it would be more economical and convenient to work from, say, Rotterdam. I have already shown what we pay our country in bill stamps, most of which would be saved to us and our indentors (a point not to be forgotten)

A modern city, such as Antwerp or Rotterdam, offers untold facilities and economies compared with London, and as for inwards cargo for distribution, this, commercially, has become almost hopeless.

We now are threatened with the loss of the whole of our male staff of what may honestly be called a

<sup>1</sup> Some have already done so.

workable age Most of us employ girls to do all they can, but as for forms and specifications, in theory, no doubt a young lady can go to Billingsgate, wait her turn for an hour or so, come back to get some trifling questions answered, repeat the process two or three times, and run down to the docks Theoretically this can be done, no doubt, but practically it cannot be done, and it is not fair to require this of them

If ever there was such a thing as a record of unacknowledged moral heroes, some of our few remaining men-clerks might be named Government officials do not know them, even at times their own principals do not How many employers have ever done their clerical work themselves?

I do not care for a doubtful phrase, but give me just one sharp, shrewd, intelligent London export clerk, who will get through as much work as five ordinary clerks in a business of the rule of thumb order

The true pluck, as I may call it, of a man of this sort is yearning to be in khaki, although it would possibly mean privation to his old parents and grandmother, having to stand the chaff of those who for days are loafing about the city of London in uniform, and yet not wanting to leave the "governor" in the lurch

Still, such is the present state of affairs If exporting is to be continued, either we must have assistance, forms must be modified, business more concentrated, or we must make other arrangements

One thing I would beg Government, employers, or indeed anyone who has any influence, to consider, and that is, the difficulty in getting the requirements realized

We may, as merchants, be granted an audience as the representatives of a certain trade. The Govern-

ment nominate high officials, the "trade its " experts " or leading members of firms

The object is explained, points are brought up, which the official most courteously answers as best he can, without an hour for reflection. One after another gets up and explains or asks something, and far too frequently with the same phrase, "My clerks tell me"

The official probably says this will be modified, or a new form or list will be issued, the business man accepts it—it all looks so straightforward—but the details involved are not realized for one moment

It is the clerk who has to do the work, it is he who has to perhaps wait his turn for an hour or two, and try to drive into the junior Customs official what it all means, then he has to go and repeat it at the docks

The conference results in really nothing practical, but much theoretical

What is wanted now, badly, is just sufficient staff to carry on during the war, and every possible modification of forms, specifications, *and journeying*

As to labour, Government might for the exporter allow, say, subject to the nature of his business, rough particulars of which should be easily obtainable .

At £2,000 a week turnover for work involving 150 invoices—one clerk

At £2,000 a week turnover for work involving two invoices—the employer to do the work himself

At £4,000 a week turnover for work involving 300 invoices—two clerks

At £4,000 a week turnover for work involving 600 invoices—three clerks

This is only an idea. I can make no hard and fast suggestion even. Of course, if the employer does not

know every detail, and is not up to date, such an estimate is ridiculously small

In any case one employer might carry on with girls to assist, another would be out of his depth with a dozen clerks

Still, if exporting is to continue, labour must be found to do it

To give one instance One case packed for shipment (among others, all ready to go to the docks), vessel to be ready to receive in a couple of days, contains a little glycerine and small items—for which I held contraband licence, but gave it up with shipping bill, packs of cards—for which Revenue licence was to hand; doubtful sundries—for which notice "licence is not required" also to hand, small items—noted for special stowage Now the Port of London Authority refuses to receive any more for the ship, though the steamer would willingly take them for me, and had specified when I should have them down and alongside

Theoretically, one would say, Why make such a fuss? it will go by the next ship

Practically, it won't, simply because no one in London can get the detail work done in time

I might possibly open the case, take the glycerine and cards out and get the rest off, that is the best I can do But the upset of all documents is not thought of.

Another great handicap of London shipment is the Port of London Authority rates Considering this rate is from about 3d to 1s. per ton, and London not being really a manufacturing centre, an immense volume of business for all parts of the world consists in the shipment of small parcels, the average Port rate on which is (as nearly as I can get it) between  $\frac{1}{2}$ d and  $\frac{3}{4}$ d per each. (See Appendix V)

The forms and stationery used none must cost more than the Port Authority receives, on these small items. Its labour, rent and establishment charges anyhow are something, and as for the short-handed exporter, the time he has to pay his girls for most average 2d and 3d each.

It is another burden on his back.

Surely these charges might be included in the dock rates, or abolished where the amount is for anything less than 1d.

Of course I do not shut my eyes to shipments by lighter, or through the wharves, but, for dock shipment, the dock charges surely should be able to afford it. Forty years ago the minimum dock charge was 4d, sometimes even 3d, now it is 1s 2d plus  $7\frac{1}{2}$  per cent, and the rated charges have proportionately risen. Why?

Labour has risen in price we know, but nothing like to this extent, and modern appliances should reduce the cost of handling, not advance it.

The number of forms used by the Port of London Authority must be enormous. If the work was done with reasonable expedition, and on arrival at the docks (as per theory) the dock charge came along, it would be of material assistance to the exporter and it would tell him where his goods were, but as they do not, but generally come after the ship has sailed (as per practical experience), sometimes, indeed, months afterwards, the plan adopted by some of the wharves of giving one list totalling what has gone by each ship, and charging per rate and not per minimum, would be far more convenient.

However, all these points are details, probably too small to trouble the high official, but the whole of a big machine may easily be unworkable.

because the smallest connecting rod is broken by undue strain

Hence I venture to suggest Reduce or abolish forms and specifications in every possible way, and concentrate their use to one office when and where it can be done

Above all, alterations of old-established methods should be avoided

## CHAPTER XIII

### THE MIGRATION OF BUSINESS

TRADE has migrated often enough from causes quite unsuspected, and the real reasons are often never known, nor at times would they be believed. Sometimes it is only a small matter causing transfer from one individual manufacturer to another, but sometimes a trifle will divert the whole course of trade from one country to another.

A word lightly spoken by a traveller may give offence to a buyer, who may there and then tell his clerks never to go to that firm again.

I try to show but a few results

An insult — I instance the complete upheaval of the trans-Indian Ocean traffic, freely believed to be caused by a couple of irresponsible youths, one of whom kicked an Indian for using his towel, the other whose offensive way of talking insulted a man.

Legislation — This is equally freely believed to have caused the loss of the ivory trade to British East Africa.

I have given instances to show

Exacting demands of manufacturers,

Preference in shipment,

Restrictions in shipment,

Contraband,

Badly made out invoices,

Unintelligible quotations, etc

Business cannot stand still, and it will either migrate to this country, or emigrate. The former (presumably) we want, the latter is what is happening.

A really sick man finds his petty ailments develop and become pronounced, and while he has the doctor

to attend to him he calls attention to them, and tries to effect their cure. So in the present crisis exporters find that the many petty inconveniences they submitted to have become such onerous burdens, that business again and again has been diverted to other channels.

Manchester's usual terms, free on rail or ex warehouse, cash seven to ten days, are now fatal for anything but a pedlar's trade, and I have given instances of migrated trade from this cause. Since war broke out the railways would only carry under most restricted terms, and at indefinite times, this alone held up the buyer's resources, and when ship after ship shut the goods out, and extra charges are levied for rent, haulage, to say nothing of fire and other insurances, the buyer soon finds he would have done better to stop away from business and utilize his money on the Stock Exchange, or purchase abroad on the usual f o b or c and f terms.

I do not suppose a single exporter has not received the following notice since the war:

"Please note that price lists may be considered as cancelled and orders can only be accepted subject to being charged at the prices ruling at the date of despatch."

For the home trade this may do well enough, and it is not so very material, even in war time, if we individually pay 3½d instead of 3d for a bottle of ink. But, in our East African market, when the European can take a dozen bottles while the bazaar is selling thousands, and especially where the cheap little foreign bottle is much preferred, such terms are simply prohibitive.

For the Europeans certainly a small quantity can be taken, but the bazaar indent is usually—"If you cannot obtain at such and such prices, cancel, and ship when the war is over."



Excepting perhaps soap and certain Manchester goods, which the Germans and Austrians in Europe and East Africa bought largely for the market, there are very few things indeed of which we have a real monopoly, and a large volume of what was "Manchester" is emigrating, while I, for one, know of nothing that is immigrating to counterbalance it

Consider the position of many cotton goods to-day Manchester grows neither cotton nor dyes, any more than Holland does Manchester can get the cotton but not the dyes, Holland can get both The result is obvious For common, cheap, coloured cottons, which are wanted by the thousand, we have not got the dyes Holland, having them, makes and ships them wholesale to East Africa We have, of course, to show a consular certificate of origin, and that certificate rightly guarantees that the goods are made in Holland, but it is not called upon to state that the cotton of which they are made comes from the U S A , and the dye-stuff from Germany

Most assuredly many of our white shirtings have actually gone to Holland, where they do receive our Manchester products, dress and mark them to suit the market Greys always could and did come from America, and are now coming also from Bombay, Japan, etc , and our coloured chiefly from Holland

Be it understood, please, I lay down no hard and fast statement, I am no " expert " in cottons or anything else , I speak only from the point of view of the general exporter, and I willingly invite any facts and figures that may stultify me

Take any of the commonest useful articles in daily use—for instance, Epsom-salts; any housewife can tell us of her experiences at the chemist's When making up a parcel of drugs for export Epsom-salts has to be

included. It all came from Germany. When I gave one of our leading houses an order for drugs exactly similar to those it had been their custom to accept for the last quarter of a century, if not more, it was sent back with a quotation, a demand for money with the order, an intimation that I must take my turn, while there was no apparent likelihood of seeing shipment for perhaps six weeks, perhaps six months. Naturally I looked at their quotations. £40 per ton for Epsom-salts! Am I to be blamed for purchasing and shipping from New York! America found she could supply Epsom-salts, and at first asked £25, now she will gladly take £15, and no doubt for the future will take care of herself. America supplied the other drugs also.

I wish to avoid the political question as much as possible. The exporter must work as things are, but the effects of legislation are often felt in unexpected directions.

The war is responsible for a  $33\frac{1}{3}$  per cent *ad valorem* tax on watch material and motor-cars. In a week the export of the former had changed from England being the distributing centre to Switzerland and America, where it is packed in parcels convenient for parcel post. Africa is practically overrun with American motor-cars, even to buy second-hand in England now and ship is very nearly out of the question.

Even if a drawback is allowed on taxed imports, while this is workable on such items as the sugar in biscuits, chocolate, etc., to pay duty and recover drawback entails expensive labour.

\*Putting this on one side, as our present cost of handling is already proportionately high, it is not workable. These are mere signs of all business of this nature emigrating and none immigrating.

Since the war we have not had tonnage enough available to carry all we have, nor anything like it, is the general impression. Personally, I do not believe this. The tonnage that was put on the berth during 1915 should have carried every ounce of BRITISH cargo to East Africa, instead of foreign goods, or for foreign ports. As far as can be seen no care whatever seems to be exercised in discriminating or giving the preference to one sort of goods over another. It is only human nature for the stevedore to take and stow a parcel that suits the ship and his wages bill, but it is disastrous for the exporter to find tons of cheap, bulky goods shipped, for which he has to pay an excessive freight, while his small and very valuable goods are left behind.

Many a large parcel of machinery has been shipped, while the few special fittings, without which it is useless, are refused absolutely, and if sent down are turned back at the dock gates.

To try and see what we could get towards immigration it is worth while to take (roughly) East Africa's imports.

We must allow Bombay really to be the emporium for East Africa, not only as to stock in hand, but financially, as in many cases the African Indian wholesale merchant is the offspring of a Bombay firm.

The Chief of Customs, Mombasa, in his annual report for the year 1913-14 tells us that cotton goods head the list of trade imports, and unbleached cotton textiles take first place, and he gives us as totals imported during the two preceding years

	£
United Kingdom	14,753
India and Burma	63,901
Austria-Hungary	15,479
Italy	21,562
Switzerland	12,218
United States	131,140

## COTTON IMPORTS INTO EAST AFRICA 123

with other smaller quantities, of which Holland and Belgium together contribute about £14,707, that is to say, together they equal the United Kingdom by less than £50 only

• That the United States should head the list seems natural, but that Holland and Belgium should equal Manchester does not

The statistics of bleached, dyed and printed cotton goods give for 1913-14 United Kingdom 67 per cent of the total, Holland 17 per cent, Germany 5 per cent, India 6 per cent. In these certainly the United Kingdom was relatively up 11 per cent, Holland down 3 per cent, Germany down 3 per cent, compared with the previous year. 1914-15 figures will doubtless give us something interesting

Compared with cotton, all others may almost be called retail shipments

British East Africa takes goods to the total value of a nice little sum of £2,147,037 (without allowing for a natural increase), and now the German houses are closed down a very fair slice of this trade is going begging. I venture to think it is worth looking after while the German doors are closed

Unfortunately no statistics, reliable or otherwise, are available to show how much was handled by representatives of each nationality. It is quite certain that Germany had the lion's share

I have already alluded to the shortage of ships. But the inconvenience is enormously, I think unfairly, increased when we find British goods shut out by the arbitrary action of the shipowner, who takes on foreign goods, sent here on through transshipment bills of lading, without any delay, while British goods have to wait in the docks for months.

To give some idea of this preference in shipments

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from Holland as compared with London, I quote the following particulars which are open to me, of one general exporter, which I forwarded to the London Chamber of Commerce with full power to have them verified in every detail

	Invoice value		
	£	s	d
Shipped by <i>Llandovery Castle</i> (sailed March 1915), as per B/L from Holland	381	8	1
shipped in London	50	4	8
Shipped by the <i>Berwick Castle</i> (sailed April) through from Holland	671	7	8
in London	1,160	17	4
And further goods estimated to be worth £500 were shut out Also some Dutch goods on bills of lading for this vessel were lost in the <i>Batavier V</i> , but return of freight (from London on) was refused by the shipowners, although the vessel did not carry them	Again		
	£	s	d
<i>Berwick Castle</i> (sailed August) from Holland	645	6	11
in London	544	11	8
Goods for 21 marks partly or wholly shut out or refused were estimated at	500	0	0
To these may be added			
<i>Gaika</i> (sailed November) from Holland	1,345	18	2
in London	1,125	14	5
(At least £1,000 worth refused and much shut out)			

The *Comrie Castle* (sailed December) took in all sixteen packages of this shipper's London goods, among which not one of those that the *Gaika* shut out Now we are informed all rates of freight are to be increased So our merchandise is again heavily handicapped compared with Dutch

As a most typical instance of a trade migrating, I give a statement of the Chief of the Mombasa Customs verbatim

"Ivory—Up to the year 1903 ivory was the staple

export from the country, but it has now dwindled to a mere trifle

"Ivory shipments during the year (1913-14) amounted to 132 cwts, valued at £8,764, as compared with 678 cwts, valued at £24,039, a decade ago

"36 cwts of ivory were consigned to the United Kingdom and 73 cwts to Zanzibar"

No one would dream of suggesting that the number of elephants had diminished to this extent, if at all, or that fewer were annually visited by their dentists. The natural inference is that the trade has gone through channels of the least legislative obstruction, and as far as British East Africa is concerned, as shown by official hard facts and figures, has emigrated from British East Africa. London, New York, China, etc., still want ivory and get it, and from much the same districts as before, but British East Africa does not get the revenue, though it still has the expense of legislation for it.

If we tried this case the evidence would have to be circumstantial

A map of British East Africa shows red up to roughly 5° N latitude, which includes a fine elephant-infested district, but we know that a line drawn from the centre of Lake Rudolf, passing Maisabit to Lugh is well within the sphere of Abyssinian activity. Rumour informed us that some 20,000 Abyssinians had an elephant raid, and we know that after this very large consignments arrived in London, while British East African official records are silent on the subject. We are safe in assuming, merely to satisfy our own curiosity, that that ivory was hunted and collected in British East Africa, was taken over the border and thence mostly on by caravan across Italian Somaliland to Mogadishu, as Abyssinian ivory usually finds the sea at Djibouti, Assab, or Massowah.

Congo ivory no longer evidently comes through British East Africa, nor does that from German Africa, although the Uganda railway was so much utilized for other produce from these regions

Abyssinia, Italy, the Belgian Congo, German Africa, all have their taxes, regulations, restrictions, etc. Somebody gets the benefit of the trade we had a decade ago

The London weekly reports from August to December, 1915, while showing the arrivals and stock from West Africa, Abyssinia, etc., show not one single stick from British East Africa or Zanzibar. The little now exported seems to have gone to America, Bombay, and China, and the little that has come to London—well, that is not my business, but as a merchant I think I am justified in suggesting that smuggling in England was abolished by relaxing too heavy duties far more effectively than by coastguard establishments

Cases of migration of trade are too numerous to enumerate; but as each crops up, possibly it might be inquired into

As a minor but yet an important item, let us descend from ivory to axle grease, just now badly wanted in East Africa. The supply is difficult to obtain in this country, more difficult to handle, and most difficult to secure shipment

An American firm, as I write this, is jubilant, owing to the war it has caught one of our leading firms short in the market for this article, and has at last got a footing for its supply, and does not intend to let it go either now or hereafter. Our suppliers have simply to admit temporary defeat, they can just look on and see an old-established trade seriously injured

Years ago a slovenly invoice passed a regular line of goods from England to Belgium. An indent came

for Cold Dams Months were lost in the correspondence, until a sample was obtained from the indenter and the original invoice from which he obtained his wording Cold was an abbreviation for Coloured Dams was an abbreviation for the local name of a certain cloth Leeds made the original cloth at about 4s 6d per yard, but Belgium on seeing the sample made a cheap cotton substitute that somewhat resembled it at about 1s This was tried on the market, and at the time of the outbreak of war that same indenter was receiving by the bale, from Belgium, what he previously had by the piece from Leeds

The persistent attempt to maintain what we are pleased to call a high state of efficiency and superiority in manufacture, is a very common cause of losing business To light a pipe or cigarette we do not want to carry about with us a good English penny box of wooden matches when we can purchase a dozen small and more suitable boxes for three-halfpence from Sweden

In East Africa, the merchants want and take hundreds of safes, the attractive-looking Austrian appeals to them Certainly it is everything a safe should not be, but they will have them Gaudy and showy, they attract attention, lightly constructed, so much the cheaper for freight and inland carriage If the keys are lost, easily opened by ripping the back with a sardine tin opener Anyhow, they suit the market, and the market (*en masse*) will not come to England for safes

For the general supply of trade goods durability and quality are positive objections, not advantages.

\* A safari (travelling party or caravan) may consist of 20, it may consist of 500 men, and there are hundreds of them Each man has to have a jersey, to which he is unaccustomed, a pair of boots that he will probably



tie round his neck, a water bottle, which he often empties in an hour and throws away, and a blanket, which he rolls into a sort of turban to balance his load on. A safari may last one month, at the outside nowadays rarely more than three or four. Each new one has to be supplied afresh. Hence, boots, bottles, blankets, etc., are only wanted for a very short life, and the cheaper and flimsier they are the better for the purse of the outfitter.

Roughly speaking England cannot and will not attempt this class of goods. There must be a shortage during the war, and after it supplies will be drawn from the original sources abroad.

The war is, of course, responsible for much diversion of trade, some of it unavoidable, and much of it will never be regained. *Per contra*, among many commodities which might come our way I may instance the following.

**Blue** This country can only supply (figuratively) in penny numbers. I asked one well-known firm for 100 cases. The order was brought back. "Surely some mistake, we never send more than ten or twelve to this market." Anyhow, I showed that my indenter usually took 100 at a time from Lille, and now I would gladly take 1,000 at a price. No good, I cannot get it. I bought some in Holland, but licence to bring it here was refused, so Holland must ship itself.

**Starch** Let any exporter try and get it.

**Enamel-ware** Chiefly Austrian formerly, practically unobtainable.

**Glassware** Chiefly Bohemian formerly, very scarce even at double or triple the price. (America waking up and supplying.)

**Toys** (and song enough has been made over these) Holland is already a long way ahead of us.

## TRADE POSSIBLE COME TO ENGLAND 129

Tin and hollow-ware Nearly all works controlled by Government

Motors, tyres, etc Nearly all works controlled by Government

Aluminium ware Made absolute contraband

Earthenware Many works practically closing for want of labour and coal

Bentwood furniture Formerly Austrian The total possible output England can do is far too small (Norway and Sweden coming in)

Cheap paper Formerly Austrian The total possible output England can do is far too small (Norway and Sweden coming in)

Wire nails Mostly now American

Biscuits Largely now American

Lamps Almost entirely American

Because of many manufacturers' demands thousands of pounds worth of goods have been bought and shipped from Rotterdam and New York, while their English equivalents are (not slowly, but quickly) being driven out of the market

I will give actual instances which have occurred.

Of white shirtings, East Africa takes (or took), chiefly from Julius Liepmann & Co, Manchester, and from Amsterdam Of July, 1914, shipments, some of each were in the *Adolph Woermann* which put back to Rotterdam The Amsterdam shipments were taken out, reshipped, and repeat orders have since been received and shipped The English goods are still at Rotterdam.

In February and March, 1915, Amsterdam apparently found no difficulty in shipment by the *Llandoverly Castle* and *Berwick Castle* The December, 1914, Manchester supply caught the *Berwick Castle* in April, 1915—although paid for in January.

On September 6th, £150 was sent to Manchester for shipment by a going steamer, but it only caught the *Clan Fraser*, which sailed on October 18th

As shipments were so difficult in England and the outlay prohibitive, the *Gaika's* Amsterdam shipments amounted to some £549 (a fair increase on the *Clan Fraser's*)

As to November shipments (payments, rather), I am informed on December 7th by Manchester that "the railway will not yet take charge of them," and these goods are not shipped yet. Manchester has got its cash, Holland takes cash on shipment or c and f terms

One firm now demands cash from me before goods leave their Manchester warehouse. Of course, it matters nothing to them, although my losses through shipping their goods before the war were somewhat heavy.

I see by my books that out of several payments to them from May to July, 1914, includes

		£	s	d
July 27th, 1914	Invoiced out July 21st, 1914	12	14	6
May 25th, 1914	„ July 14th, 1914	37	11	3
July 13th, 1914	„ June 30th, 1914	48	8	6
„	„ July 2nd, 1914	16	11	6
July 27th, 1914	„ July 8th, 1914	5	16	6
Goods lost or strayed in transit		£121	2	3
In addition to these				
Paid for		£	s	d
July 27th, 1914	for German Africa	37	13	0
July 13th, 1914	„ „	37	5	9
„	„ „	35	15	0
		£110	14	6

of which something after the war may be recovered, as the carrying steamer reached her destination, and I

## CONSIGNMENTS LOST OR STRAYED 131

have reason to believe these goods were commandeered. On November 20th, 1915, I sent cheque £35 8s for goods to be put f o b a steamer which sailed December 8th, but the goods are                      Echo answers—goods are

*Specimen of a demand for cash*

December 16th, 1915

We have now pleasure in enclosing pro forma invoice and on receipt of your remittance for the amount shown, viz , £108 10s 10d , your order will be placed for execution by the mills, delivery to be made as soon as possible

A previous shipment from this firm

Paid for		£   s   d
July 13th, 1914	Found in December, 1915, landed ex an interned steamer at Rotterdam.	24   7   6

Others

Paid for		£   s   d
May 6th, 1914	Now in German territory	30   5   3
May 28th, 1914	but lost until after the war	17   1   1

This firm also claimed, and received, 3s 3d for failure to secure prompt cash discount, of course allowed the indenter

*Anglice*, terms cash to finance even their profit before putting the order in hand

I take thus at random three specimens only of present methods of trying to do business in Manchester goods

In each case of my March to July, 1914, shipments, there are, comparatively speaking, heavy losses, temporary if not permanent I am receiving frequent cables for more of exactly the same goods Of the goods that are paid for in November, one firm appear to have sent these forward The other goods, although their invoices clearly state " Forwarded to the *Orator*," by their own showing had never left their

packers, and it certainly seems that history will repeat itself, as in the case of the December, 1914—April, 1915, deal. Even so I do not like to be beaten. Having got cables for more goods, I asked for quotations from, as surely a Manchester firm ought to be the best able to secure a Liverpool shipment, and the reply is, "We must decline all responsibility over shipment."

I think no one will blame me, even my indentors, for purchasing a substitute in Holland, if I cannot find a Manchester firm who will try and assist shipment of their own goods.

Naturally all Manchester firms are not so hard on the exporters, and some whose names I should much like to mention were most profuse in their sympathy and liberal offers of extended credit, and I think I can honestly say they have lost nothing by it. In everyday life the extremes of humour and pathos are often together, so in business life we find contemptible meanness and open-handed liberality represented again and again in the same street, even in the same building.

It was only by the consideration of such firms who were willing to let bygones stand over, and the kind assistance of the banks in financing new business, that anything at all could be carried on, and the trade prevented from emigrating from the firms interested and their country.

Possibly a not unfair example may be cited in my own dealings with a British biscuit firm, to show a transfer of business.

From December, 1912, to August, 1914, I paid them £1,376 7s 8d.

Of this amount, £43 15s 10d represents goods consigned to German Africa, of which, after the war (perhaps!), I may see a small part.

My shipments on August 8th and 10th, 1914, were paid for on August 13th

Goods invoiced abroad October 10th to the amount of £41 18s 2d, were paid for December 3rd (truly a delay here, purely caused by non-receipt of overdue remittances)

On tendering further orders I am politely told they can only be executed on terms cash in advance, and no guarantee whatever as to shipment

How biscuit shipments stand now may be of interest, remembering especially that New York apparently can ship practically when goods are ready, and the only London available steamer turns back our biscuits "as she has more than sufficient cargo alongside" (notice received before she commenced loading) I see by my books that I shipped in October, 1915, per *Kioto*, at New York, £178 19s 7d, in November, per *Kathamba*, at New York, £179 8s 8d

If the trade is not to migrate to New York we can only hope our troops in the field, and our settlers, dislike American biscuits, and put up with them during the war, and that they will not acquire a preferential taste after it

In the meantime we may be able to ship a few from Liverpool, but there does not seem much chance of an early shipment of London biscuits

Owing no doubt to the war, the demand for English biscuits has increased enormously, and the largest indent I ever received came for this firm's make. These were urgently wanted, but as they seemed to close their doors to me, the only thing I could do was to split the order among various makers, and so I secured a couple of shipments, but some are still at Liverpool waiting, although invoiced November, 1915

I suggest for the consideration of parties concerned

Our exports are checked and some even stopped, by the exacting demands of the suppliers

Our method of invoicing goods by misleading names, and imperfect pricing affects our exports

Contraband, (a) of itself, (b) by its formalities, licences, etc., affects us

British ships should not more or less fill up with foreign goods while British are refused

To a considerable extent it is reasonable to expect British vessels, if shut out they must, to carry perishable, valuable, or urgent goods to the exclusion of durable, cheap and often bulky articles

The same is expected of our railways

The position of the vendor and the exporter, when through war or other unforeseen delay or loss arises, should be modified

What is to be done to bring us ?

Is there no British shipowner, no British shipbroker, no British merchant, wise enough to see, and strong enough to command attention to, the present state of affairs, and the outlook ?

We have this terrible war, we must conquer in East Africa both by sea and land, with our Army and Navy and our civilians (temporarily soldiers and sailors) assisting them. Our manufacturers, our exporters, who are over age or for other reasons cannot join them, can and want to keep our commerce, and master it. Cannot we work together now ?

The golden opportunity for putting our country's shipping in the first place, for planting and nourishing our manufactures, was lost, at least many of us so think, when the Uganda railway was built. We then drove our chances away. What are we doing now ? Neither more or less than repeating what we then did, on

identical lines, save that America and Holland take the place of Germany.

America must see that there is no steamer from the United Kingdom sailing during January, 1916. She must see our war stores dependent on our merchant ships, and our merchants buying all they can from America and Holland, because there is no earthly chance of practical business-like shipments from England.

Even Italy, with one of her best steamers sent to the bottom, maintains somehow her connection. France keeps going. Japan, Java, goodness only knows who else, are finding even the actual necessaries of life.

I admit tonnage is scarce, every cubic foot of space valuable, freights exorbitant, but the opening, the chance of a lifetime, is staring us in the face, asking us to take it, and it all seems so simple. But who would listen, in this country, to an exporter, and that a single-handed, one-horse trader, who would willingly throw up his business if only he could help England and Englishmen to wake up and make the country come out "top dog," not only as a military, but as a commercial nation?

If I, as I did, venture to tell a leading shipbroker, how we in past days had to go to the docks, how we measured ships up and arranged for the convenience of shippers, how we had to work in the docks, and handle "sundries" innumerable, I am led to understand that it is quite impossible now, and what was done forty years ago cannot be done now. I drop that. I then quote Hamburg and try to show what the Germans actually did. My friend finds he has an important and urgent engagement elsewhere.

And I think I must find one too.



## APPENDIX I

I MAKE a statement that £2,000 a week in July, 1914, compares with £20,000 now. This looks excessive, and might represent a million a year, so I have been most careful to try and get this verified.

I can show, in London now, actual cables and indents received in a week, for—

Roughly	450-500 bales blankets
„	25-30 cases English tobacco
„	12 tons naphthalene
„	10 tons copper and brass wire
„	50-100 motor tyres for transport work, etc
„	120 bales unread newspapers
„	20 bales second-hand clothing
„	300 cases whisky, wines and spirits
„	20-30 bales or cases Manchester cottons
„	2,000 scores kikois (and inquiries for more)
At least	500 cases provisions
„	£1,000 general trade goods
„	£1,500 worth paints, oils, tar, cotton waste, oars, rope, nails, candles, tools (in short, the innumerable ship's stores our men-of-war expect to purchase locally)

Open Orders —Camp furniture, pots, pans, aluminium ware, etc, for troops. If any exporter can ship these for less than £20,000 c i f I willingly withdraw my statement.

I admit most of these orders came to London owing to the closing of the German firms, and if our manufacturers continue to make impossible terms, most of them will have to remain in abeyance until the German firms open up again.

However, as this is *bona fide* trade offered for execution

by England, I think it a fair parcel to make a study of I am therefore asking for a collection to be made of all the answers to the inquiries and orders issued

I am assuming that the exporter who has this in hand has no available cash, as there having been no steamer from England during January, 1916, shipments now in the docks, railways, or warehouses, represent his working capital, which will be released on shipment

Up to the moment this goes to press I can account for Blankets —£750 to £1,000 worth shipped from Rotterdam to catch steamer at Liverpool

(Memo For this steamer, Manchester, Sheffield, Birmingham, all report refusal of railway to take goods ) Tobacco —Supplies having been in docks for some months, much of this newly ordered will not go until the old has been shipped

(Memo At the moment there is in B E Africa such a glut of Dutch tobacco that it is being stocked and some sold at a loss, although some of our tobacco is in the docks now, and has been since November, and more was refused and not sent down ) Naphthalene —English price acceptable, but cash demanded before it leaves the gasworks makes it prohibitive

Copper and Brass Wire —All makers yet applied to state "works under Government control," and cannot supply

Motor Tyres —Some at Birkenhead

Unread Newspapers —Cannot handle

Whisky —Some shipped, for some, cash wanted in advance

Manchester Cottons —Khaki Drill and 1,500 Sheeting, cash in advance wanted

Italians, Thread, etc —About 15 bales shipment expected

Kikoi —Reply waited from Switzerland

Provisions —Those from Norway in course of shipment

London supplies As December shipments were shut out, and barge loads returned, new orders must wait until old are shipped

Candles —Cash asked in advance

Eau-de-Cologne —Cash asked in advance from one maker

Some in course of shipment

Boot Blacking —Same as Eau-de-Cologne

Paints and Oils —Subject to licences London made ready to ship, but October to December parcels being still in abeyance, some must wait  
 Tar —Ready to ship  
 Waste, Oakum, Oils, etc —Ready to ship  
 Nails —Waiting supplies from America  
 Tools —About 50 to 75 packages at Birmingham waiting for railway facilities

## APPENDIX II

AFTER some weeks the exporter's position was considered, as shown by "Advances to British Export Traders in respect of Debts Abroad," dated Treasury Chambers, Nov 3rd, 1914

I at once applied for all the necessary forms, and I have them still

At first the impression was that relief was at hand, and no doubt, as far as definite debts abroad were concerned, we might have procured something

The advance offered was not to exceed 50 per cent of the outstandings, so that even if anyone could have shown all owing him that had been invoiced abroad, the temporary help would have been insufficient

East Africa, from an exporter's point of view, is almost unique, and to have accepted any advance would have been dangerous, and probably have meant, if not ruin, certainly loss of credit after the war, when the final reckoning came

Small details, difficult to explain, and which really only the exporter himself can handle, and which in the general clean up would not be considered, would arise

I instance a few that appeared at the time

Money due from German Africa was payable in Colonial reichsmarks How is this to be paid after the war? Some firms, as security, gave us mortgages on what were valuable sites with substantial buildings The buildings were, are, or may yet be, knocked to pieces

Several merchants who were perfectly solvent and sound, now that Government forces them to pay their German debts, especially in Zanzibar, will have to liquidate, much as they would like to pay me and other Englishmen

Honestly, no exporter could ask the Government, or his

bank, for an advance on the last half of July, 1914, shipments from Great Britain, America, or Denmark, which got as far as Hamburg, and are there now. Nor for the goods ordered before the war, but manufacturers insist on acceptance of after it.

Of June and July, 1914, shipments by German steamers, which never reached their destination, it has been almost if not quite universally acknowledged consignees must meet their drafts, but in Zanzibar I believe not one has done so, and I am legally advised that the result of pressure there might be of doubtful advantage.

In British East Africa many of the merchants are dependent upon their German branches or customers.

These are only small points, but the exporter ought to realize them before tendering a statement of assets.

On the other hand, let us take the very best tangible security and calculate what the Government offer would cost the exporter.

Cheques payable at sight on the Deutsche Bank, Berlin, many of which arrived in August, 1914.

The value at the outbreak of war I take at 20 60 marks per £. The committee would no doubt decide on these cheques that we might have 50 per cent of their value.

For argument's sake, the war plus grace for payment may take five years. We then could have received power to draw a six months' bill, which would cost us

	£	s	d
Stamp duty	0	1	0
Renewable, say, nine times	0	9	0
On advance to the Bank, an accepting fee on each bill, 5s per cent—this on ten bills	2	10	0
A further commission at the rate of 1 per cent on the amount of each bill when originally drawn or renewed	10	0	0
Five years' interest at bank's current rate (viz, 1 per cent over Bank of England rate, which has fluctuated between 5 and 10 per cent)—say five years at 6 per cent	30	0	0

Cost in five years for loan of £100 . £43 0 0

In itself, this only implies 9 per cent interest, but—

The value of the mark already having depreciated about 25 per cent, it can hardly be expected in five years to show a loss of less than

(per cent) £50 0 0

and this is the security lodged against a bill for half its original face value

Thus, on the very best of German security, practically £7 is all the exporter realizes out of his £100

The wording of the announcement is plain that the money is to pay commercial debts to other traders or manufacturers, and it is equally plain that the exporter, as the paying medium, is to bear all the extra costs necessary for this to be done

According to French ideas all should bear the burden as nearly equally as possible, and if we had a moratorium as in France, and the manufacturer realized, as a citizen, he should endure his fair share of patience, there would be no necessity for any advance to the exporter, although there might be for a few of the individual manufacturers, mostly small ones

Theoretically it sounds well to advance to exporters for them to pay the manufacturers, but practically the money would go from them to the large, wealthy firms that could well afford to wait, and who are usually the most pressing and exacting in their demands

### APPENDIX III

THE chief difference between British and German lines seems to be that while we (figuratively) are using none but sledge hammers to drive home everything from a spike to a tin-tack, the German lines were properly equipped

The wastage of our tonnage, and the expense incurred in steaming empty space about the world, is something enormous, a fact the Germans thoroughly recognized and rectified as much as possible

I know of no place in the world where a better object lesson of this could possibly have been obtained than Zanzibar. For days at a time the harbour would be without a steam vessel, but when a German main liner was there, or expected, then the whole harbour was alive with

small craft, either for discharge into lighters or to go alongside the main liner

Nature seems to have made Zanzibar for work of this sort, and Zanzibar should be one of the most paying properties in the whole world, and the outlay could easily be met out of its own revenue

#### APPENDIX IV

THE carrying trade in England, from the exporter's point of view, is a wonder of the world

We are much too dependent on the railways, which again and again, to use a dubious expression, have sold us, even during peace times

We see now that the railways never should have had such a monopoly, or powers, that enabled them to starve out our canals. They cannot perform the necessary transit work, and as English manufacturers are constituted, without the slightest attempt at working in unison, the railways can and do dictate what terms they like, and our British merchants accept them, and cover themselves by refusing even ordinary universal business terms

When the railway charges and demands became too onerous to the Kent farmers, they put their heads together and pooled their produce and sent it to London by motor. I for one could hardly venture to suggest to Manchester merchants, being business men, to take a hint from farmers

Manchester has a canal (at least so I am credibly informed), but that is only a ship canal, and apparently while unusable railways exist, its merchants must not run a lighter or motor trolleys with their urgent goods to Liverpool or Birkenhead

Canal traffic is not available as it should be

Road traffic by motor seems quite undeveloped

Cartage difficult to secure (and this really is excusable during war time)

Lighterage On the Thames especially, while our topsail and stumpy barges are utilized with a view to economy, our dumb lighters seem to be employed as wastefully and extravagantly as our steamers

APPENDIX V<sub>c</sub>

## PORT OF LONDON AUTHORITY

## Port Rates on Goods Foreign—Outwards

No	£	Particulars of Goods	Gross Weight				Rate	Amount of Rates		
			t	c	q	lb		£	s	d
945	1 case	Boot polish			2	0	3			$\frac{1}{2}$
954	1 "	Writing ink		1	1	0	$7\frac{1}{2}$			$\frac{1}{2}$
82/6	5 bales	Secondhand clothing	1	0	3	21	9		9	$\frac{1}{2}$
682	1 case	Stationery		1	1	0	11			$\frac{3}{4}$
702	1 "	Haberdashery			3	12	11			$\frac{1}{2}$
441	1 "	Hosiery, etc		1	1	16	9			$\frac{1}{2}$
783	1 "	Tooth powder			3	25	11		1	
832	1 "	Envelopes		1	2	20	} $7\frac{1}{2}$			
875/6	2 "	Cotton shirtings		8	3	24			2	
5/6	2 "	Electric lamp bulbs		1	2	8	$7\frac{1}{2}$			$\frac{1}{2}$
6	1 "	Stationery		2	0	0	11		1	
679	1 "	Electric light bulbs			2	20	$7\frac{1}{2}$			$\frac{1}{2}$
195/8	4 "	Cream			3	26	$7\frac{1}{2}$			$\frac{1}{2}$
783	1 "	Haberdashery		1	1	8	11			$\frac{1}{2}$

The exhibition of this list is not with the idea of gaining effect. It seemed a rash statement to make, that the Port of London Authority should often spend more in stationery than it receives. I wished to verify this, and without expecting any very startling result, seeing 1ed P L A forms on a clerk's desk, I asked the loan of them to learn one day's work.

This is absolutely correct. The ship left London February 2nd, 1916, she took fourteen parcels (twenty-three packages), and the payments to the Port of London Authority involved thirteen amounts, as here shown—under one shilling and sixpence.

## APPENDIX VI

## CONTRABAND

SINCE this was written, changes have occurred. Notably, that instead of applying for a new licence the old expired one may be renewed and the time limit extended.

To the chiefs of the departments, and to the merchants themselves, this seems a fairly simple solution of a difficulty. Practically we are out of the frying-pan into the fire, as there is the extra labour in getting the old licences back and renewed.

The regulations as to parcel post are entirely altered, but the new regulations are anything but easy to grasp.

The delay in posting seems much improved.

## APPENDIX VII

## GOVERNMENT AND TRADERS

THE methods adopted in Great Britain as compared with Germany apparently may be summarized. In England, Government versus Trader, in Germany, Trader cum Government.

The appearance seems justified.

In England, Government dictates to the railways, the railways do what they like with traffic, the shipowners play fast and loose with the shippers, and all three hamper them with forms, regulations, and restrictions.

In Germany, the Government ships by its regular lines of steamers, the railways collect and take goods on through documents from almost any main line station, and the shipowner helps the merchant to the extent of booking his goods to their destination, perhaps miles inland.

This surface opinion may be an exaggerated one, but it anyhow comes from a man who has spent one-quarter of a century drawing Government pay, and about another twenty-five years connected with ships and shipping.

I am still certain that Government really wants to help traders, but it does not know how to set about it. Officials do not know the necessary details, nor do traders know how to explain them.





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